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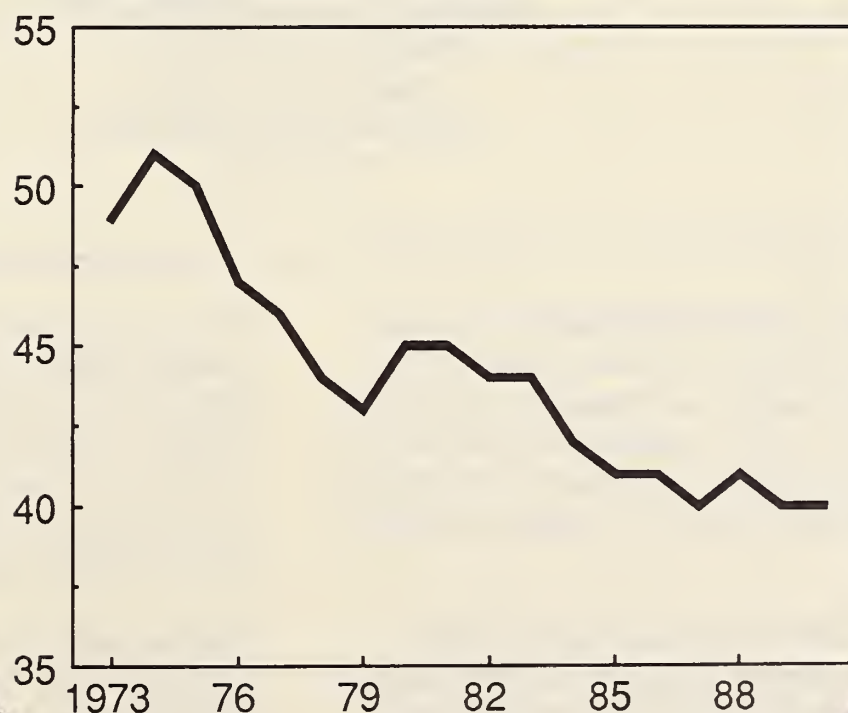
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August 1990

Livestock and Poultry

Situation and Outlook Report

U.S. Calf Crop

Million Head



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The present forecasts will be updated, if needed, in the World Agricultural Supply and Demand Estimates scheduled for release on September 12, October 11, and November 8, 1990.

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Meat Production To Rise in 1991, Prices To Decline

Favorable producer returns will encourage continued expansion in the poultry sector and increased pork production. Reduced nonfed cattle slaughter will nearly offset increased fed beef production. Per capita red meat and poultry consumption is expected to rise about 6 pounds in 1991 from the record of around 220 pounds in 1989 and 1990.

Retail red meat prices set records in 1990 as production fell below a year earlier. Pork prices are expected to rise about 12 percent this year, while prices for Choice beef increase about 6 percent. Retail poultry prices are likely to decline about 2 percent as broiler and turkey production rises.

Increasing pork and poultry supplies in 1991 are likely to cause pork prices to decline 1-3 percent, while poultry prices decline 4 to 6 percent. Beef production increases are not expected to offset population increases; however, declining prices for competing meats will likely hold beef price gains to 1-2 percent. Increased uncertainty about the health of the economy and its impact on consumer spending for meats are

of major concern to the livestock and poultry sectors as supplies rise and prices continue near record levels.

Cattle numbers on July 1 were only modestly above a year earlier, the second year of relatively static numbers. Uncertain weather-forage conditions continue to outweigh the effects of record feeder cattle prices and positive returns above cash costs to cow-calf producers since 1986. The 1990 calf crop was estimated at 40 million head, down slightly from 1989. Producers are retaining 4 percent more replacement heifers this year. Even if a larger proportion of these heifers calve in 1991, the increased calf crop will have little impact on beef supplies or cattle prices until 1992.

Table egg production is expected to continue the modest 1990 gains in 1991. Egg consumption will likely decline about an egg per person in 1990, and again in 1991. Retail egg prices declined about 4 percent in 1990 and are likely to fall 11-13 percent in 1991.

The revised ERS Choice beef retail price series by Lawrence Duewer and T. Fred White is a special article in this report.

Table 1--Livestock, poultry, and egg production and prices (All percent changes shown are from a year earlier.)

Item	1988		1989		1990				1991 1/		
	Annual	III	IV	Annual	I	II	III 1/	IV 1/	Annual	I	Annual
Million pounds											
Production:											
Beef	23,424	5,893	5,774	22,974	5,507	5,733	5,850	5,600	22,690	5,500	22,975
% change	0	-5	0	-2	0	-1	-1	-3	-1	0	1
Pork	15,623	3,790	4,155	15,759	3,902	3,645	3,625	4,175	15,347	3,900	15,850
% change	9	0	-4	1	0	-7	-4	0	-3	0	3
Lamb & mutton	329	81	92	341	93	90	85	95	363	95	363
% change	6	1	10	4	6	12	5	3	6	2	0
Veal	387	84	84	344	79	74	74	74	301	70	280
% change	-7	-15	-15	-11	-13	-13	-12	-12	-12	-11	-7
Total red meat	39,763	9,848	10,105	39,418	9,581	9,542	9,634	9,944	38,701	9,565	39,468
% change	3	-3	-2	-1	0	-3	-2	-2	-2	0	2
Broilers 2/	16,124	4,395	4,420	17,334	4,495	4,700	4,650	4,680	18,525	4,750	19,500
% change	4	9	10	8	9	7	6	6	7	6	5
Turkeys 2/	3,923	1,176	1,181	4,175	983	1,100	1,240	1,220	4,543	1,060	4,775
% change	6	10	14	6	22	8	5	3	9	8	5
Total poultry 3/	20,588	5,704	5,727	22,039	5,611	5,950	6,015	6,035	23,611	5,945	24,810
% change	4	9	11	7	11	7	5	5	7	6	5
Total red meat and poultry	60,351	15,552	15,832	61,457	15,192	15,492	15,649	15,979	62,312	15,510	64,278
% change	4	1	2	2	4	1	1	1	1	2	3
Million dozen											
Eggs	5,784	1,389	1,415	5,587	1,390	1,413	1,410	1,440	5,654	1,415	5,715
% change	-1	-2	-2	-3	0	1	2	2	1	2	1
Dollars per cwt											
Prices											
Choice steers, Omaha 1000-1100 lb.	69.54	70.09	72.46	72.52	77.20	77.52	73-77	73-79	75-78	75-81	75-81
Barrows and gilts, 7-markets	43.39	46.07	47.42	44.03	49.45	59.01	56-60	48-54	53-56	47-53	49-55
Slaughter lambs, Ch., San Angelo	68.26	66.29	58.90	67.32	59.62	59.72	52-56	55-59	56-59	54-60	54-60
Cents per pound											
Broilers, 12-city avg. 4/	56.3	59.7	49.8	59.0	56.5	56.6	55-59	48-54	54-57	50-56	51-57
Turkeys, Eastern region 5/	61.2	62.3	71.0	66.7	56.5	61.3	62-66	62-68	60-63	54-60	61-67
Cents per dozen											
Eggs											
New York 6/	62.1	81.5	92.6	81.9	87.8	74.6	66-70	64-70	73-76	64-70	66-72

1/ Projected. 2/ Federally inspected. 3/ Includes broilers, turkeys, and mature chickens. 4/ Wholesale weighted average. 5/ Wholesale, 8- to 16-pound young hens. 6/ Cartoned, consumer Grade A large, sales to volume buyers.

Factors Affecting Livestock and Poultry

Slower Economic Growth Prospects Continue

Macroeconomic statistics continue to indicate a slow growing economy. In July, the Department of Commerce revised the Gross National Product (GNP) statistics for 1987, 1988, and 1989 so that growth averaged 3.4 percent per year instead of 3.8 percent. Updated service sector data caused sharp downward revisions for 1989; in the fourth quarter an earlier 1.1 percent growth rate was changed to 0.3 percent.

The report also indicated consumer expenditures were revised down less than disposable personal income. As a result, savings—the difference between income and expenditures—did not grow as fast as previously estimated.

Recently released statistics for July indicated a civilian unemployment rate increase from 5.3 percent to 5.5 percent, the highest monthly rate since August 1988. Construction and manufacturing industries continued to show job declines; and the service sector experienced the first monthly decline since August 1983.

Developments in the Middle East have unsettled oil prices. At this time, the full extent or magnitude of this shock to the U.S. economy is unknown but is anticipated to have more negative economic implications than positive. The shock, combined with the early year inflation increase is likely to complicate the fight to lower inflation. The downward revisions to economic growth, current slow economic growth, and recent international shocks have resulted in lower eco-

Table 2--Expenditures per person for red meat and poultry 1/

Year	Beef		Pork		Red meat		Broilers		Turkeys		Poultry		Total 2/	
	\$	% of income	\$	% of income	\$	% of income	\$	% of income	\$	% of income	\$	% of income	\$	% of income
1980	178.57	2.12	94.92	1.13	273.49	3.25	33.32	0.40	9.93	0.12	43.25	0.51	316.74	3.76
1981	180.99	1.96	98.92	1.07	279.91	3.03	35.32	0.38	10.38	0.11	45.69	0.49	325.60	3.52
1982	183.03	1.88	102.44	1.05	285.46	2.93	35.41	0.36	10.01	0.10	45.42	0.47	330.89	3.40
1983	183.14	1.77	104.81	1.01	287.95	2.79	36.49	0.35	10.33	0.10	46.82	0.45	334.77	3.24
1984	183.81	1.63	99.73	0.89	283.54	2.52	42.63	0.38	11.31	0.10	53.95	0.48	337.48	3.00
1985	180.05	1.52	99.54	0.84	279.58	2.36	42.08	0.35	12.66	0.11	54.74	0.46	334.32	2.82
1986														
I	43.36	1.41	24.99	0.81	68.35	2.22	10.52	0.34	2.54	0.08	13.06	0.42	81.41	2.64
II	44.70	1.43	24.39	0.78	69.09	2.21	11.35	0.36	2.56	0.08	13.91	0.45	82.99	2.66
III	46.46	1.48	26.52	0.85	72.98	2.33	13.33	0.43	3.49	0.11	16.81	0.54	89.79	2.87
IV	43.34	1.37	29.51	0.93	72.85	2.30	12.33	0.39	5.68	0.18	18.02	0.57	90.87	2.87
Year	177.86	1.42	105.41	0.84	283.26	2.27	47.53	0.38	14.27	0.11	61.80	0.49	345.06	2.76
1987														
I	41.88	1.30	27.38	0.85	69.26	2.14	12.20	0.38	2.70	0.08	14.90	0.46	84.16	2.61
II	44.04	1.36	26.04	0.81	70.08	2.17	11.96	0.37	3.07	0.10	15.03	0.47	85.11	2.63
III	46.18	1.41	27.76	0.84	73.94	2.25	11.98	0.36	3.77	0.11	15.75	0.48	89.69	2.73
IV	42.99	1.28	31.30	0.93	74.29	2.20	11.57	0.34	5.54	0.16	17.11	0.51	91.40	2.71
Year	175.08	1.33	112.48	0.86	287.57	2.19	47.71	0.36	15.09	0.11	62.79	0.48	350.36	2.67
1988														
I	43.75	1.27	28.50	0.83	72.26	2.10	11.71	0.34	2.86	0.08	14.57	0.42	86.83	2.52
II	46.02	1.32	28.09	0.80	74.11	2.12	12.85	0.37	3.21	0.09	16.06	0.46	90.16	2.58
III	47.60	1.33	29.20	0.82	76.80	2.15	14.94	0.42	3.85	0.11	18.79	0.53	95.59	2.68
IV	43.86	1.21	30.79	0.85	74.65	2.06	13.91	0.38	5.51	0.15	19.41	0.54	94.06	2.60
Year	181.23	1.28	116.58	0.83	297.81	2.11	53.41	0.38	15.43	0.11	68.84	0.49	366.65	2.60
1989														
I	44.06	1.19	27.90	0.76	71.96	1.95	14.50	0.39	3.11	0.08	17.61	0.48	89.57	2.43
II	46.46	1.25	28.10	0.76	74.56	2.00	16.19	0.44	3.40	0.09	19.59	0.53	94.15	2.53
III	46.90	1.25	28.34	0.75	75.24	2.00	16.11	0.43	4.45	0.12	20.56	0.55	95.80	2.55
IV	45.91	1.21	31.19	0.82	77.09	2.03	14.97	0.39	5.90	0.16	20.87	0.55	97.97	2.58
Year	183.32	1.22	115.52	0.77	298.85	2.00	61.76	0.41	16.87	0.11	78.63	0.52	377.48	2.52
1990														
I	44.71	1.15	29.79	0.77	74.50	1.92	15.33	0.40	3.56	0.09	18.89	0.49	93.39	2.41
II	48.37	1.23	29.95	0.76	78.32	2.00	16.09	0.41	3.76	0.10	19.85	0.51	98.17	2.51

1/ Red meat includes beef and pork only; poultry includes broilers and turkeys only. 2/ Total includes beef, pork, broilers, and turkeys only. Totals may not add due to rounding.

conomic growth prospects. Real GNP growth for the next 6 to 12 months is now likely to average between 1 and 2 percent at an annual rate. Overall, the slower economic growth prospects are seen as pointing toward weaker consumer demand for foods and meats.

Prospects Improve for Feed Grain and Soybean Crops

As the growing season progresses, the outlook for feed grain and protein feedstuffs becomes more favorable for the livestock sector, due to lower feed costs prospects than expected earlier. Weather conditions in principal crop areas have been favorable, with ample rainfall and moderate temperatures.

This year's corn crop is forecast at 7.85 billion bushels, up 4 percent from last year, on a projected 66.7 million acres harvested, up 3 percent from a year earlier. The yield is forecast at 117.7 bushels per acre, compared with last year's 116.2 bushels. Farm corn prices are projected to average \$2.35 to \$2.75 per bushel, compared with \$2.38 in 1989/90. The large wheat crop this year, reported at 2.7 billion bushels, is resulting in expanded wheat feeding in many areas as producers find new-crop wheat more attractively priced than the tight supplies of old-crop corn. Delayed corn planting this spring resulted in later-than-normal crop development for this time of year. This makes the corn crop more vulnerable to an early frost in many areas.

The soybean harvest is expected to be 1.8 billion bushels from 56.6 million harvested acres, a 5 percent smaller crop than last year. Soybean meal prices are expected to average \$165 to \$190 per ton, compared with \$172.50 for 1989/90. Overall, feed grain costs to livestock producers in 1990/91 are likely to remain about unchanged from a year ago, at least until next spring.

Livestock and Red Meats

Pastures and Forage Supplies Mixed

Weather and consequently forage supplies remain mixed outside the North Central Region — excellent in one area this

Table 3--Hay acreage, production, and stocks

Item	1988	1989	1990	1990
				1989
		1,000 acres		Percent
Acreage harvested	65,055	63,395	61,734	-3
Yield/acre	1.94	2.29	2.40	5
		1,000 tons		
Production	126,010	145,445	148,462	2
Stocks on farms				
May 1	27,074	17,507	27,080	55
December 1	90,312	101,158		
Production + May 1 stocks	153,084	162,952	175,542	8

month, followed by poor conditions the next and vice versa. Unsettled forage conditions of the past 2 years are reflected in the slow beef herd expansion. Pasture and range conditions on August 1 were rated 73, down 3 points from July, but a slower than seasonal decline as conditions improved in several areas. However, conditions were 1 point below the 1979/88 average for this date. Conditions were in the severe drought range in California, Georgia, New Mexico, and South Carolina.

Dry conditions in much of the Western half of the Country and low irrigation water supplies are likely to result in increased supplemental feeding and even tighter hay supplies. Hay production is increasing for the second consecutive year. However, larger May 1 hay stocks have likely been pulled down in many areas by supplemental feeding this summer. Alfalfa hay production is expected to rise 6 percent above the 1989 level and nearly 19 percent above the low 1988 level. Production of other hays was estimated down 3 percent from 1989, but up 17 percent from 1988. Production will be up sharply in the North Central region, but down in the West.

Hay prices in July reflected increased supplemental feeding and uncertainty about weather conditions and the size of this year's final harvest. The farm price of all hay averaged \$85.60 a ton in July, down about \$2 from June. Alfalfa and other hays prices averaged about \$2 to \$3 a ton over a year earlier.

Cattle

Cattle numbers on July 1 were only modestly above a year earlier, the second year of relatively static numbers. Uncer-

tain weather and forage conditions continue to outweigh the effects of record feeder cattle prices and positive returns above cash costs, making cow-calf producers hesitant to expand. Consequently, beef production in 1991 will be little changed from 1989 and 1990 levels at about 22.9 billion pounds. Per capita beef supplies are likely to decline slightly, resulting in another year of record retail beef and live cattle prices.

Cattle Inventory Rises Very Slowly

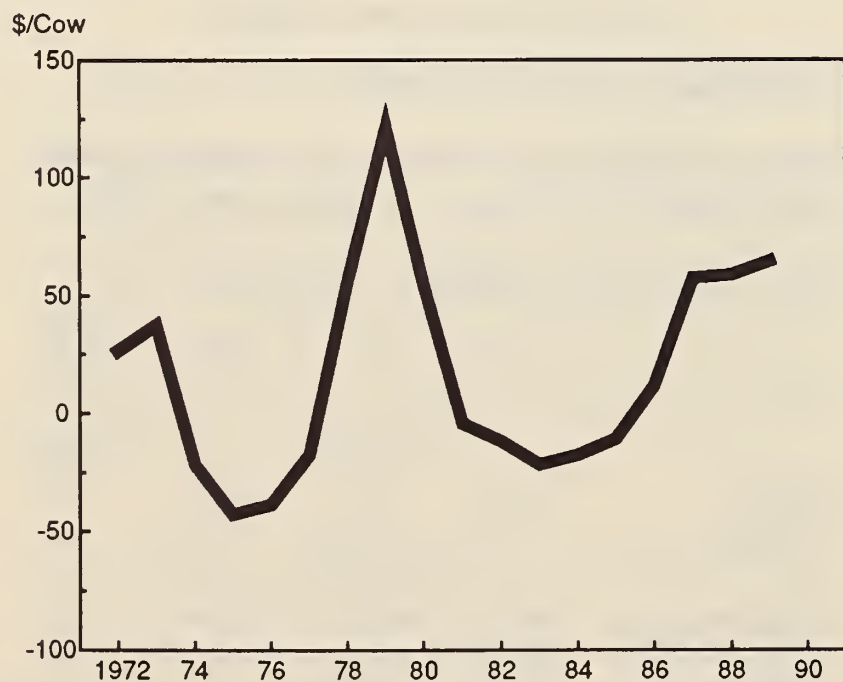
The cattle inventory on July 1 continued the very slow, modest rise that began in 1988. The total inventory rose to 108.9 million head, up 300,000 from 1989 and up 400,000 from 1988 levels. This year marks the fifth year of positive returns above cash costs for cow-calf producers. Feeder cattle prices have been at record levels in 1990 and another record setting pace is expected in 1991. However, in spite of the positive conditions, most producers remember all too well the financial problems of the 1980's and are hesitant to expand, given weather-forage vagaries of the past 2 years and high grain prices expected through at least mid-1991.

The beef cow inventory on July 1 was up only slightly from last year's levels, and about 1 percent from 1988. However, cattlemen indicated they were retaining 4 percent more heifers for possible herd expansion and 8 percent more than on July 1, 1988. In each of the past 2 years the proportion of heifers actually calving and entering the herd has remained relatively low.

Dairy cow numbers were unchanged from a year earlier following 4 years of decline. The number of dairy replacement heifers was down 4 percent. However, the replacement heifer inventory at the beginning of the year was up 2 per-

Figure 1

Cash Returns to U.S. Cow-Calf Producers



Receipts less Expenses.

Table 4--July 1 cattle inventory

Class	1988	1989	1990	1990/89
	1,000 head			Percent change
Cattle and calves	108,500	108,600	108,900	0.3
Cows and heifers that have calved	44,300	44,300	44,400	0.2
Beef cows	34,050	34,200	34,300	0.3
Milk cows	10,250	10,100	10,100	0.0
Heifers 500 lb+	16,500	16,700	16,800	0.6
For beef cow replacement	4,800	5,000	5,200	4.0
For milk cow replacement	4,400	4,500	4,300	-4.4
Other heifers	7,300	7,200	7,300	1.4
Steers 500 lb+	14,500	14,500	14,700	1.4
Bulls 500 lb+	2,200	2,200	2,200	0.0
Heifers, steers, and bulls -500 lb	31,000	30,900	30,800	-0.3
Calf crop 1/	40,588	40,142	40,000	-0.4

1/ Number of calves born before July 1 plus the number expected to be born on and after July 1.

Table 5--Heifers entering cow herd January-June and July-December

Year	Jan. 1 cow inventory	Intended herd replacements Jan. 1	Total 1/ disappearance Jan.-June	July 1 cow inventory	Heifers		Intended herd replacements July 1	Total 2/ disappearance July-Dec.	Jan. 1 cow inventory following year	Heifers	
					Entering the herd Jan.-June	Percent entering				Entering ing herd July-Dec.	Percent entering
					1,000 head	Percent				1,000 head	Percent
1973	52,553	11,306	3,550	54,037	5,034	44.5	11,144	3,496	54,478	3,937	35.3
1974	54,478	12,134	3,625	56,960	6,107	50.3	11,780	4,702	56,931	4,673	39.7
1975	56,931	12,971	5,212	58,053	6,336	48.8	11,306	7,197	54,971	4,118	36.4
1976	54,971	11,148	5,628	53,938	4,595	41.2	10,475	5,811	52,441	4,314	41.2
1977	52,441	10,414	5,221	52,190	4,970	47.7	9,846	5,429	49,635	2,874	29.2
1978	49,635	9,744	4,961	48,413	3,739	38.4	9,340	4,253	47,852	3,692	39.5
1979	47,852	9,459	3,413	47,815	3,376	35.7	9,885	3,235	47,866	3,286	33.2
1980	47,866	10,101	3,304	49,941	5,379	53.3	10,214	3,748	49,622	3,429	33.6
1981	49,622	10,481	3,599	51,004	4,981	47.5	10,856	3,788	50,216	3,000	27.6
1982	50,216	11,147	3,925	49,990	3,699	33.2	10,900	4,182	48,986	3,178	29.2
1983	48,986	10,881	3,885	49,600	4,499	41.3	10,680	4,447	48,543	3,390	31.7
1984	48,543	10,714	4,563	48,500	4,520	42.2	10,450	4,782	16,182	2,464	23.6
1985	46,182	10,318	3,971	46,300	4,089	39.6	9,900	4,113	44,869	2,682	27.1
1986	44,869	9,874	4,340	45,000	4,471	45.3	9,500	4,294	44,412	3,706	39.0
1987	44,412	9,519	3,699	44,400	3,687	38.7	9,400	3,577	43,494	2,671	28.4
1988	43,494	9,371	3,468	44,300	4,274	45.6	9,200	3,521	43,727	2,948	32.0
1989	43,727	9,682	3,528	44,300	4,101	42.4	9,500	3,374	43,854	2,928	30.8
1990	43,854	9,765	3,358	44,400	3,904	40.0	9,500				

1/ Death loss calculated as 1 percent of January 1 cow inventory plus estimated commercial cow slaughter. 2/ Death loss calculated as 1/2 percent of January 1 cow inventory plus estimated commercial cow slaughter.

cent, so the recent cutback likely compensates for larger numbers entering the herd in first-half 1990.

The total number of heifers calving and entering the herd in the first half declined 5 percent (200,000 head) from a year earlier. Even though first-half cow slaughter declined 6 percent to the lowest level since 1980, the total cow inventory rose only 100,000 head. Consequently, with fewer heifers entering the herd, this year's calf crop was estimated at 40 million head, down slightly from 1989 and about 1 percent from 1988.

Beef Cow Operations Continue To Decline

Even as the number of beef cows increased, the number of operations with one or more beef cows on hand during any time of the year continued to decline. This series began in 1986 and beef cow operations have declined slightly more than 2 percent each year. Between 1986 and 1989 the number of operations with beef cows declined by nearly 64,000 to 949,640 operations.

In 1989, 82 percent of the beef cow operations had 1 to 49 cows, but represented only 34 percent of the beef cow inventory. Operations with 100 or more cows comprised 7.1 percent of the beef herds and had 46 percent of the cows. Both the proportion of operations and beef cows with 50 to 99 head rose about 1 point. This likely reflects some smaller operations exiting the industry, but also medium sized operations that reduced inventories in the 1980's and now are rebuilding into the 50-to-99-head size group.

Feeder Cattle Supply Up Slightly

Feeder cattle supplies outside feedlots are expected to support fed cattle marketings near to slightly above this year's levels in 1991. However, adjustments to allow for increased

Table 6--July 1 feeder cattle supply

Item	1988	1989	1990	1990/89
1,000 head				Percent change
Calves less than 500 lb				
On farms	31,000	30,900	30,800	-0.3
On feed 1/	294	215	309	43.7
Total	30,706	30,685	30,491	-0.6
Steers & heifers 500 + lb 2/				
On farms	21,800	21,700	22,000	1.4
On feed 1/	10,569	9,979	9,886	-0.9
Total	11,231	11,721	12,114	3.4
Total supply	41,937	42,406	42,605	0.5

1/ Estimated U.S. steers and heifers. 2/ Not including heifers for cow replacement.

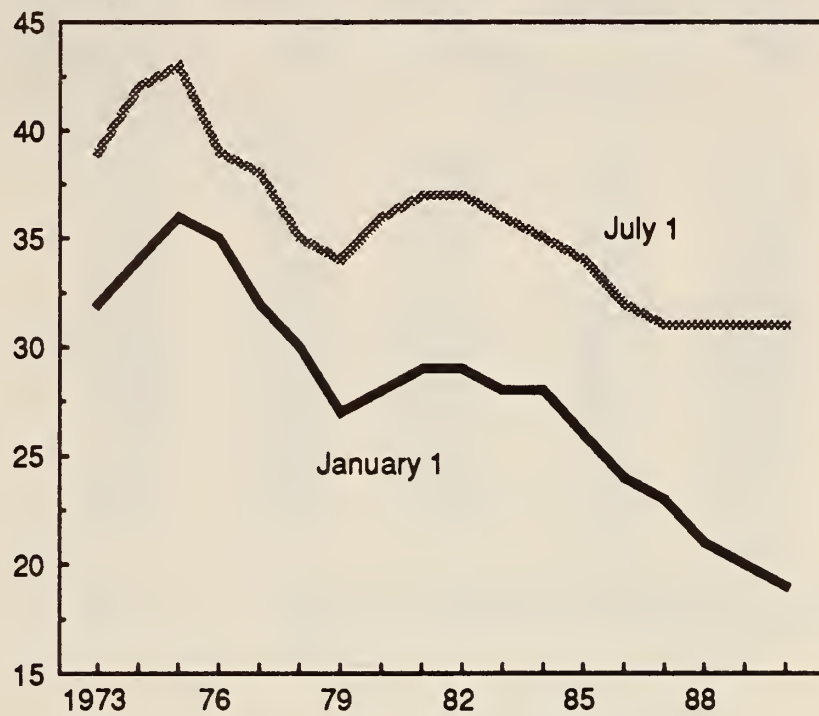
supplies of cattle to be placed on feed, without larger calf crops have largely been exhausted. Nonfed steer and heifer slaughter has declined sharply. In addition, a larger supply of calves formerly slaughtered for veal are now being bid into the feeder cattle supply.

On July 1, the total number of calves in inventory was about unchanged from a year ago, but a 44-percent increase in the number of calves on feed resulted in a 1-percent decline in the number of calves outside feedlots. The supply would be even lower if calf slaughter in the first half had not been down 15 percent. The yearling supply remains above a year earlier. A 1-percent rise in the supply of steers and other heifers over 500 pounds, combined with a 1-percent drop in cattle on feed weighing 500 pounds and over, resulted in a 3-percent rise in the yearling supply outside feedlots.

Figure 2

Inventory of Calves Under 500 Pounds

Million head

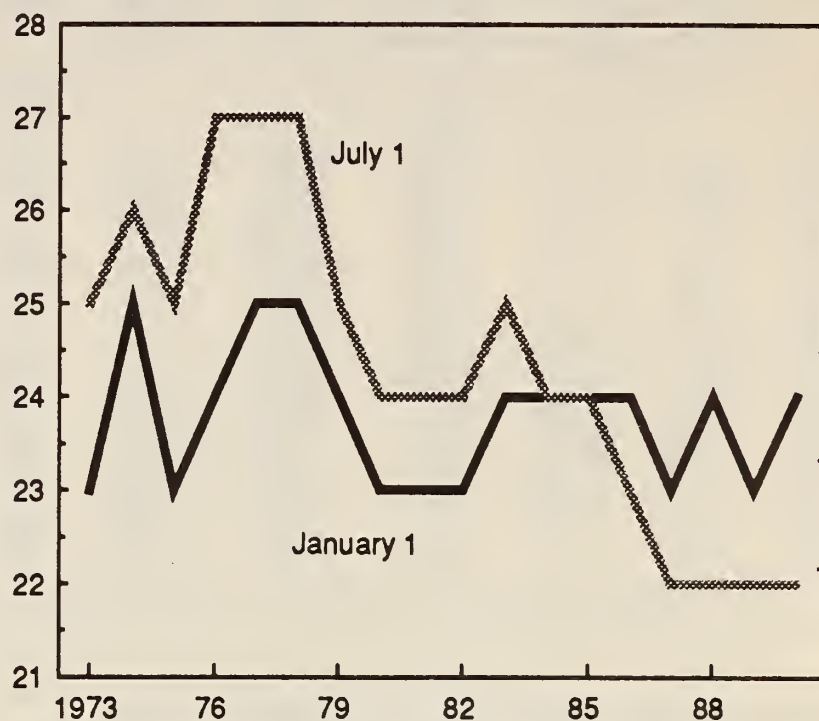
**Fed Marketings To Remain Large**

Cattle on feed in the 13 quarterly reporting States on July 1 were 1 percent above a year earlier. Second-quarter marketings were down slightly from a year ago, as a slow market-

Figure 3

Inventory of Heavy Weight Feeder Cattle

Million head



ing pace continued. Net feedlot placements were 2 percent below last year's low level. Dry conditions in the Southern Great Plains, much of the West, and the Southeast in June through late July likely forced larger numbers of stocker cattle off pastures into feedlots.

Table 7--13-States cattle on feed, placements, marketings, and other disappearance

Year	On feed 1/ 1,000 head	Percent change 2/ Percent	Place- ments 1,000 head	Percent change 2/ Percent	Fed mar- ketings 1,000 head	Percent change 2/ Percent	Other dis- appearance 1,000 head	Percent change 2/ Percent
1985								
I	10,653	7.5	5,315	-3.6	5,907	3.4	373	2.2
II	9,688	3.7	5,266	-5.7	5,787	3.0	427	-25.3
III	8,740	0.1	5,522	-11.8	5,949	4.7	246	-8.2
IV	8,067	-10.8	7,500	-0.7	5,269	-4.6	314	-24.7
Year	---	---	23,603	-5.2	22,912	1.7	1,360	-16.2
1986								
I	9,984	-6.3	5,270	-0.8	5,763	-2.4	316	-15.3
II	9,175	-5.3	5,221	-0.9	5,821	0.6	375	-12.2
III	8,200	-6.2	6,376	15.5	5,926	-0.4	233	-8.2
IV	8,417	4.3	6,906	-7.9	5,456	3.5	312	-24.7
Year	---	---	23,773	0.7	22,966	0.2	1,236	-9.1
1987								
I	9,555	-4.3	5,670	7.6	5,747	-0.3	376	19.0
II	9,102	-0.8	5,936	13.7	5,649	-3.0	428	14.1
III	8,961	9.3	6,650	4.3	6,082	2.6	242	-8.2
IV	9,287	10.3	6,818	-1.3	5,648	3.5	343	-24.7
Year	---	---	25,074	5.5	23,126	0.7	1,389	12.4
1988								
I	10,114	5.9	5,824	2.7	5,853	1.8	390	3.7
II	9,695	6.5	5,913	-0.4	5,879	4.1	423	-1.2
III	9,306	3.9	6,031	-9.3	6,261	2.9	225	-8.2
IV	8,851	-4.7	6,655	-2.4	5,466	-3.2	352	-24.7
Year	---	---	24,423	-2.6	23,459	1.4	1,390	0.1
1989								
I	9,688	-4.2	6,232	7.0	5,658	-3.3	344	-11.8
II	9,918	2.3	5,212	-11.9	6,040	2.7	410	-3.1
III	8,680	-6.7	5,719	-5.2	5,896	-5.8	227	-8.2
IV	8,276	-6.5	7,321	10.0	5,361	-1.9	293	-24.7
Year	---	---	24,484	0.2	22,955	-2.1	1,274	-8.3
1990								
I	9,943	2.6	6,088	-2.3	5,583	-1.3	385	11.9
II	10,063	1.5	5,111	-1.9	6,013	-0.4	400	-2.4
III	8,761	0.9			5,906 3/	0.2		

1/ Beginning of quarter. 2/ Percent change from previous year. 3/ Expected marketings.

Table 8--7-States cattle on feed, placements, and marketings

Year	On feed	Percent change 1/	Net placements	Percent change 1/	Marketings	Percent change 1/	Other disappearance	Percent change 1/
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1988								
Jan.	8,411	5.8	1,557	7.1	1,764	-1.6	106	-16.5
Feb.	8,204	7.7	1,253	-6.3	1,545	4.5	126	20.0
Mar.	7,912	5.9	1,737	6.9	1,593	1.4	111	18.1
Apr.	8,056	7.0	1,382	-11.5	1,609	4.4	139	
May	7,829	3.7	2,029	10.2	1,724	13.9	146	2.1
June	8,134	3.3	1,319	-1.9	1,717	-0.9	68	-21.8
July	7,736	3.3	1,189	-2.4	1,785	3.6	62	-12.7
Aug.	7,140	2.2	1,594	-13.7	1,790	3.3	66	-2.9
Sept.	6,944	-2.2	2,142	-10.9	1,682	0.7	67	-5.6
Oct.	7,404	-5.4	2,366	-6.4	1,576	-7.3	84	-1.2
Nov.	8,194	-5.4	1,578	0.4	1,517	2.6	112	3.7
Dec.	8,255	-5.7	1,306	2.8	1,516	-6.0	115	-3.4
1989								
Jan.	8,045	-4.4	1,602	2.9	1,677	-4.9	104	-1.9
Feb.	7,970	-2.9	1,495	19.3	1,534	-0.7	115	-8.7
Mar.	7,931	0.2	1,900	9.4	1,579	-0.9	75	-32.4
Apr.	8,252	2.4	1,415	2.4	1,580	-1.8	124	-10.8
May	8,087	3.3	1,460	-28.0	1,752	1.6	164	12.3
June	7,795	-4.2	1,231	-6.7	1,791	4.3	62	-8.8
July	7,235	-6.5	1,228	3.3	1,700	-4.8	63	1.6
Aug.	6,763	-5.3	1,562	-2.0	1,694	-5.4	76	15.2
Sept.	6,631	-4.5	1,906	-11.0	1,579	-6.1	47	-29.9
Oct.	6,958	-6.0	2,581	9.1	1,628	3.3	71	-15.5
Nov.	7,911	-3.5	1,910	21.0	1,490	-1.8	91	-18.8
Dec.	8,331	0.9	1,465	12.2	1,418	-6.5	87	-24.3
1990								
Jan.	8,378	4.1	1,782	11.2	1,634	-2.6	114	9.6
Feb.	8,526	7.0	1,308	-12.5	1,515	-1.2	95	-17.4
Mar.	8,319	4.9	1,782	-6.2	1,618	2.5	120	60.0
Apr.	8,483	2.8	1,252	-11.5	1,554	-1.6	125	0.8
May	8,181	1.2	1,482	1.5	1,796	2.5	150	-8.5
June	7,867	0.9	1,267	2.9	1,824	1.8	73	17.7
July	7,310	1.0						

1/ Percent change is from previous year.

Table 9--Cattle on feed, placements, and marketings, 13 States

Item	1988	1989	1990	1990/89
		1,000 head		Percent change
On feed April 1	9,695	9,918	10,063	1
Placements, Apr.-June	5,913	5,212	5,111	-2
Marketings, Apr.-June	5,879	6,040	6,013	0
Other disappearance, Apr.-June	423	410	400	-2
On feed July 1				
Steers & steer calves				
-500 lb	194	134	225	68
500-699 lb	551	386	478	24
700-899 lb	1,714	1,497	1,483	-1
900-1,099 lb	2,632	2,513	2,476	-1
1,100 + lb	876	923	965	5
Heifers & heifer calves				
-500 lb	62	129	95	-26
500-699 lb	483	529	456	-14
700-899 lb	1,593	1,325	1,175	-11
900 + lb	1,155	1,324	1,366	3
900-1,099	NA	1,211	1,251	3
1,100 + lb	NA	113	115	2
Cows	46	47	42	-11
Marketings, July-Sept.	6,261	5,896	5,906	0

1/ Intentions.

Placements in the 7-monthly reporting States in June were up 4 percent from the 1989 level, and likely remained large

in July. Placements will likely be larger than a year earlier this summer, but are expected to decline below the large 1989 levels this fall, particularly if pasture conditions are favorable.

Cattle feeders indicated intentions to market 1 percent more cattle this summer than last year. Cattle on feed in the heavier weight groups suggest marketings will be larger. However, the marketing pace for much of the past couple of years has tended to be below expectations. Steer and heifer slaughter in July, after adjusting for one additional slaughter day this year, was 1 percent less than last year.

Nonfed Slaughter Decline Continues

Second-half beef production is expected to fall 1 to 2 percent below year-earlier levels, as nonfed beef production more than offsets modest increases in fed cattle marketings. Fed cattle marketings will likely rise about 1 percent this summer, but marketings will need to rise in late summer. Cow slaughter last summer declined contraseasonally following drought and large cow slaughter in first-half 1989. Cow slaughter in July, adjusted for the extra slaughter day, was 7 to 8 percent below a year ago. Sharpest decline were for dairy cow slaughter which declined 15 percent. Beef cow slaughter was down 1 to 2 percent. Cow slaughter this summer is expected to decline about 1 percent below last year's low level. If the dairy cow slaughter dropoff continues, cow

Table 10--Commercial cattle slaughter 1/ and production

Year	Steers and heifers			Cows	Bulls and stags	Total	Dressed weight	Commercial production
	Fed	Nonfed	Total					
-----1,000 head-----							Pounds	Million pounds
1984								
I	6,467	458	6,925	2,081	164	9,169	623	5,710
II	6,476	660	7,136	1,998	209	9,343	623	5,820
III	6,556	620	7,176	2,169	218	9,563	622	5,952
IV	6,259	678	6,937	2,374	196	9,507	624	5,936
Year	25,758	2,416	28,174	8,622	787	37,582	623	23,418
1985								
I	6,678	209	6,887	1,879	170	8,936	637	5,692
II	6,663	540	7,203	1,629	195	9,027	656	5,923
III	6,863	604	7,467	1,692	195	9,353	659	6,167
IV	5,977	611	6,588	2,190	199	8,977	643	5,775
Year	26,181	1,964	28,145	7,390	759	36,293	649	23,557
1986								
I	6,507	327	6,834	1,885	165	8,884	649	5,769
II	6,700	685	7,385	2,006	181	9,572	653	6,246
III	6,836	684	7,520	1,941	191	9,652	650	6,273
IV	6,192	682	6,874	2,129	177	9,180	645	5,925
Year	26,235	2,378	28,613	7,961	714	37,288	649	24,213
1987								
I	6,507	443	6,950	1,652	163	8,765	656	5,754
II	6,510	586	7,096	1,603	179	8,878	646	5,737
III	7,011	395	7,406	1,636	181	9,223	657	6,064
IV	6,401	495	6,896	1,719	166	8,781	666	5,850
Year	26,429	1,919	28,348	6,610	689	35,647	657	23,405
1988								
I	6,621	279	6,900	1,529	152	8,581	664	5,700
II	6,777	314	7,091	1,504	164	8,759	660	5,784
III	7,209	249	7,458	1,575	167	9,200	672	6,185
IV	6,192	457	6,649	1,729	161	8,539	674	5,755
Year	26,799	1,299	28,098	6,337	644	35,079	668	23,424
1989								
I	6,390	97	6,487	1,550	143	8,180	676	5,530
II	6,960	26	6,986	1,541	168	8,695	664	5,777
III	6,788	191	6,979	1,460	175	8,614	684	5,893
IV	6,071	420	6,491	1,765	172	8,428	685	5,774
Year	26,209	734	26,943	6,316	658	33,917	677	22,974
1990								
I	6,308	123	6,431	1,533	153	8,117	678	5,507
II	6,902	89	6,991	1,386	165	8,542	671	5,733

1/ Classes estimated.

Table 11--U.S. federally inspected cow slaughter by region, January-June

Standard Federal regions 1/ 2/	Beef			Dairy		
	1990		1990	1990		1990
	1989	1990		1989	1990	
	1,000 head	Pct.		1,000 head	Pct.	
1 & 2	2.3	1.5	65.2	75.1	50.2	66.8
3	57.7	56.7	98.3	199.4	199.4	100.0
4	180.8	195.2	108.0	150.4	159.4	106.0
5	130.9	138.0	105.4	524.2	487.9	93.1
6	358.8	339.6	94.6	72.2	60.8	84.2
7	509.4	435.7	85.5	118.4	90.7	76.6
8	140.0	129.4	92.4	67.2	55.5	82.6
9	71.0	88.8	125.1	187.4	186.4	99.5
10	96.7	102.5	106.0	67.1	69.0	102.8
U.S. 3/	1547.6	1487.5	96.1	1461.4	1359.4	93.0

1/ States included in regions are: 1-ME, NH, VT, MA, CT & RI; 2-NY & NJ; 3-PA, WV, VA & DE-MD; 4-KY, TN, NC, SC, GA, AL, MS & FL; 5-MI, OH, IN, IL, WI & MN; 6-TX, OK, NM, AR & LA; 7-IA, NB, KS & MO; 8-MT, WY, CO, UT, ND & SD; 9-CA, NV, AZ & HA; 10-ID, OR, WA. 2/ Region 1 and 2 combined to avoid disclosing individual operations. 3/ Totals may not add due to rounding.

slaughter likely would drop 5 to 7 percent this summer. Overall summer slaughter is likely to be unchanged from last year, but slightly lower slaughter weights may result in production being unchanged to down 1 percent.

Fourth-quarter production is expected to be 3 percent below last year as slaughter declines about 3 percent and weights average near 1989's 685 pounds. Cow slaughter will rise seasonally, but average nearly 10 percent below last fall. Fed cattle marketings are likely to average only slightly above levels of a year ago. For the year, beef production is forecast to decline about 1 percent on a slightly larger decline in slaughter. Fed cattle slaughter will rise to nearly 79 percent of total slaughter, helping to raise dressed slaughter weights to a record 678 pounds per head.

Beef production in 1991 is expected to remain near, to up, about 1 percent compared with this year. The fed cattle slaughter proportion will likely rise to near 80 percent as fed marketings rise 1 to 2 percent. Cow slaughter may decline another 1 percent to near 5.9 million head. Nonfed steer and heifer slaughter will likely decline modestly as feeder cattle demand remains strong. However, nonfed steer and heifer slaughter has dropped from over 2 million head each year from 1980-86 to about 600,000 to 700,000 head in 1990 and further declines likely will be difficult.

Prices Continue Record Setting Pace in 1990

Fed, feeder, and cow prices set records in first-half 1990, but are expected to begin a seasonal decline this summer as fed

Table 12--Federally inspected cattle slaughter

Week ended	Cattle			Steers			Cows								
							Total			Dairy			Dairy/total		
	1988	1989	1990	1988	1989	1990	1988	1989	1990	1988	1989	1990	1988	1989	1990
-----Thousands-----															
-----Percent-----															
Jan. 6	664	543	548	328	256	263	131	119	120	64	64	57	49	54	48
13	723	627	622	359	290	282	126	131	146	62	68	69	49	52	47
20	703	654	599	353	313	280	126	129	132	60	65	61	48	50	46
27	675	641	637	340	310	318	119	123	120	57	61	59	48	50	49
Feb. 3	646	625	638	335	300	309	116	114	122	58	60	60	50	53	49
10	639	605	622	332	300	304	106	104	115	55	57	60	52	55	52
17	637	641	601	316	316	300	118	119	102	59	64	53	50	54	52
24	640	628	594	314	309	300	121	108	104	60	62	56	49	57	54
Mar. 3	616	639	592	304	316	295	114	114	109	56	62	57	49	54	52
10	609	600	613	298	312	312	105	104	103	54	58	55	52	56	54
17	622	588	620	307	288	315	106	119	104	54	61	57	51	51	54
24	607	584	609	304	286	306	108	114	110	53	56	56	49	49	51
31	617	587	608	316	286	307	106	111	108	51	57	55	48	51	51
Apr. 7	600	609	592	310	300	302	101	118	104	50	57	51	50	48	49
14	619	646	595	315	335	302	110	117	104	54	56	50	49	48	49
21	670	663	627	349	332	326	108	122	102	50	56	48	46	46	47
28	674	652	625	356	332	325	109	122	109	50	54	51	46	44	47
May 5	664	666	617	358	326	322	104	128	102	46	56	49	44	44	48
12	664	670	684	344	339	352	109	118	105	47	50	48	43	43	46
19	682	675	681	348	344	354	118	115	112	48	50	49	41	44	44
26	689	673	667	355	342	346	125	115	109	52	50	47	42	44	43
June 2	575	589	592	298	301	311	96	99	91	39	42	38	41	43	42
9	681	663	665	336	328	339	120	114	104	50	49	44	42	43	42
16	678	680	674	338	339	349	129	113	101	53	49	41	41	43	41
23	678	658	662	344	331	341	120	109	103	50	48	45	42	44	44
30	682	671	664	348	329	340	119	112	108	50	50	44	42	44	41
July 7	609	564	555	306	288	288	108	79	77	51	37	33	48	47	43
14	724	691	671	341	335	338	135	122	113	62	56	48	46	46	42
21	691	672	673	359	326	334	116	115	106	55	55	45	47	48	42
28	694	638	647	346	312	333	112	106	95	57	52	44	51	49	46
Aug. 4	678	644		339	326		111	104		54	53		49	51	
11	694	673		346	332		112	107		56	54		50	50	
18	688	652		337	315		115	112		54	53		47	47	
25	678	630		328	304		121	114		58	56		48	49	
Sept 1	703	646		326	316		116	111		55	57		47	51	
8	614	562		288	277		101	97		49	49		49	51	
15	692	657		333	327		124	118		58	58		47	49	
22	672	666		332	316		119	117		58	56		49	48	
29	667	670		316	324		118	120		58	56		49	46	
Oct. 6	674	660		309	310		125	126		56	57		46	45	
13	680	663		311	309		127	128		56	57		44	45	
20	673	648		312	304		132	132		58	57		44	43	
27	676	652		310	297		143	142		64	60		45	42	
Nov. 3	656	643		304	292		140	139		62	61		44	44	
10	621	630		298	292		134	139		62	59		46	42	
17	623	635		286	292		140	143		63	60		45	42	
24	546	533		260	262		110	111		51	47		46	42	
Dec. 1	648	660		298	301		145	146		67	62		46	43	
8	624	644		300	299		140	149		66	63		47	42	
15	623	635		306	304		126	133		62	58		50	44	
22	622	625		305	298		116	124		58	53		50	43	
29	549	542		281	274		90	99		46	42		51	42	

1/ Corresponding dates to 1990: 1988, Jan. 9, 1989, Jan. 7.

Table 13--Calf slaughter by class under Federal inspection

	Bob veal	Fed		Other	
Year	150 lb & below	Formula 150-400 lb	Nonformula 150-400 lb	over 400 lb	Total
1,000 head					
1986	1,618.6	1,009.3	285.9	281.0	3,194.8
1987	1,207.8	1,002.7	171.4	297.5	2,679.4
1988					
Jan.	92.5	82.0	12.5	18.1	205.1
Feb.	86.5	84.9	16.2	15.2	202.8
Mar.	96.3	92.8	11.4	15.3	215.8
Apr.	65.3	78.7	10.8	14.3	169.1
May	58.1	80.7	17.1	15.4	171.3
Jun.	82.1	90.4	14.2	17.1	203.8
July	106.3	74.2	14.1	12.4	207.0
Aug.	111.7	86.3	12.2	16.7	226.9
Sept.	92.7	85.0	13.1	16.5	207.3
Oct.	84.6	84.7	11.9	15.8	197.0
Nov.	94.7	81.4	11.3	14.1	201.5
Dec.	95.1	82.2	11.1	14.2	202.6
Year	1,065.9	1,003.3	155.9	185.1	2,410.2
1989					
Jan.	83.4	83.6	10.3	18.3	195.6
Feb.	75.7	76.6	7.7	15.3	175.3
Mar.	83.1	84.6	9.9	16.7	194.3
Apr.	46.3	74.5	7.3	23.9	152.0
May	54.7	77.9	9.3	15.4	157.3
June	56.4	81.6	8.1	15.1	161.2
July	97.1	82.8	10.3	16.6	206.8
Aug.	87.8	76.1	8.3	16.9	189.1
Sept.	77.3	68.4	10.6	16.7	173.0
Oct.	80.6	86.7	11.2	12.2	190.7
Nov.	81.6	70.5	10.5	12.4	175.0
Dec.	74.2	70.5	8.9	13.3	166.9
Year	898.2	933.8	112.4	192.8	2,137.2
1990					
Jan.	73.4	77.5	12.1	11.8	174.8
Feb.	58.0	66.1	8.1	12.9	145.1
Mar.	66.4	79.6	8.1	11.0	165.1
Apr.	42.8	67.3	8.2	9.4	127.7
May	38.9	81.7	7.3	8.9	136.8
June	50.7	84.6	12.2	13.7	161.2

Table 14--Commercial calf slaughter and production

Year	Slaughter	Dressed weight	Production
	1,000 head	Pounds	Million pounds
1986			
I	873	148	129
II	836	154	129
III	859	150	129
IV	839	145	122
Year	3,408	149	509
1987			
I	760	147	112
II	651	155	101
III	684	145	99
IV	720	144	104
Year	2,815	148	416
1988			
I	647	150	97
II	567	162	92
III	665	149	99
IV	627	158	99
Year	2,506	154	387
1989			
I	583	156	91
II	488	174	85
III	548	153	84
IV	553	152	84
Year	2,172	158	344
1990			
I	502	157	79
II	411	180	74

beef supplies rise, this year's calf crop is weaned, and cow culling begins. Fed steer prices this summer and fall are expected to average \$4 to \$5 above the same periods in 1989. Cattle placed on feed this summer are likely to have breakeven prices near \$80 per cwt when marketed. Prices in this range are not expected until late 1990 to early 1991.

Feeder cattle prices are likely to remain about \$3 per cwt above second-half 1989 averages as continued high grain prices slow but do not impede the record setting pace. Strong demand for stocker cattle again resulted in heavier feeder cattle placement weights, as cattle feeders could not match the prices paid for lighter cattle to be returned to grass.

Utility cow prices continued strong as first-half 1990 cow slaughter was 6 percent below a year ago. Prices will likely average about \$1-\$3 above 1989's second-half average. Prices could be even higher if demand for replacement cows increase this fall and prices show a smaller-than-seasonal decline with reduced slaughter.

Record Setting Pace To Continue In 1991

Prices in 1991 are expected to continue the record setting pace for much of the year. Should heifer retention accelerate from the moderate rate expected, prices could rise more than now expected. If a larger proportion of the heifers being retained on July 1 calve in 1991 and feeder cattle imports remain near this year's record level, 1991 will likely be the last year of record prices for this cattle cycle. Continued large poultry supplies and an expected cyclical upturn in pork production in 1991 are expected to result in downward price pressure on the relatively more expensive beef.

Retail Choice beef prices in 1990 are expected to average 5 to 6 percent above 1989's \$2.66 per pound under the new ERS retail price series. Further increases are expected in 1991, but slower economic growth and larger supplies of competing meats at declining retail prices are likely to hold gains to 1-2 percent.

Consumer expenditures on beef resumed their upward movement in 1988 following declining expenditures in 1985-87. Additional consumer nutritional information on beef, closer trimmed products, and an inelastic demand, together with reduced beef production, have all combined to increase spending on beef. This increase is likely to continue at least through 1991.

Per capita beef consumption in 1991 may remain near this year's level as population increases offset a modest increase in production and smaller net beef trade (imports less exports). However, total red meat and poultry consumption

Table 15--Corn Belt cattle feeding: Selected costs at current rates 1/

Purchased During 1989-90 Marketing During 1990-91	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. Jun.	Jan. Jul.	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.	Jun. Dec.	Jul. Jan.
Expenses: (\$/head)												
600 lb. feeder steer	530.40	531.78	529.50	524.28	517.50	514.20	509.28	525.00	544.86	551.40	564.78	561.00
Transportation to feedlot-400 miles	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Corn (45 bu.)	100.80	100.80	98.10	99.90	100.80	99.90	101.03	105.75	113.85	118.58	121.05	117.00
Silage (1.7 tons)	41.90	40.92	39.85	39.91	40.64	40.89	40.68	41.57	42.40	43.01	42.92	41.45
Protein supplement (270 lb.)	38.75	38.75	38.48	38.48	38.48	37.67	37.67	37.67	35.10	35.10	35.10	32.67
Hay (400 lb.)	16.30	15.60	15.20	15.00	15.40	15.70	15.40	15.40	14.90	14.70	14.30	13.80
Total feed costs	197.75	196.06	191.62	193.28	195.31	194.15	194.77	200.39	206.25	211.39	213.37	204.92
Labor (4 hrs.)	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72
Management (1 hr.) 2/	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86
Vet medicine 3/	5.77	5.77	5.75	5.75	5.75	5.86	5.86	5.86	5.92	5.92	5.92	5.95
Interest on purchase (6 months)	32.78	32.86	32.17	31.85	31.44	30.90	30.61	31.55	32.36	32.75	33.55	33.32
Power, equip., fuel, shelter, deprec. 3/	26.90	26.90	26.83	26.83	26.83	27.31	27.31	27.31	27.62	27.62	27.62	27.73
Death loss (1% of purchase)	5.30	5.32	5.30	5.24	5.18	5.14	5.09	5.25	5.45	5.51	5.65	5.61
Transportation (100 miles)	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31
Marketing expenses	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Miscellaneous and indirect costs 3/	11.63	11.63	11.60	11.60	11.60	11.81	11.81	11.81	11.94	11.94	11.94	11.99
Total	845.04	844.84	837.29	833.36	828.13	823.90	819.25	841.69	868.93	881.06	897.35	885.04
Selling price required to cover: (\$/cwt.)												
Feed and feeder cost (1050 lb.)	69.35	69.32	68.68	68.34	67.89	67.46	67.05	69.08	71.53	72.65	74.11	72.95
All costs (1050 lb.)	80.48	80.46	79.74	79.37	78.87	78.47	78.02	80.16	82.76	83.91	85.46	84.29
Feed cost per 100 lb. gain (450 lb.)	43.94	43.57	42.58	42.95	43.40	43.15	43.28	44.53	45.83	46.98	47.42	45.54
Choice steers, Omaha (1000-1100 lb.)	76.71	78.15	79.36	77.57	75.63	74.46						
Net margin	-3.77	-2.31	-0.38	-1.80	-3.24	-4.01						
Prices:												
Feeder steer, Choice (600-700 lb.)												
Kansas City \$/cwt.	88.40	88.63	88.25	87.38	86.25	85.70	84.88	87.50	90.81	91.90	94.13	93.50
Corn \$/bu. 4/	2.24	2.24	2.18	2.22	2.24	2.22	2.25	2.35	2.53	2.64	2.69	2.60
Hay \$/ton 4/	81.50	78.00	76.00	75.00	77.00	78.50	77.00	77.00	74.50	73.50	71.50	69.00
Corn silage \$/ton 5/	24.65	24.07	23.44	23.48	23.91	24.05	23.93	24.46	24.94	25.30	25.25	24.39
Protein supplement (32-36%) \$/cwt. 6/	14.35	14.35	14.25	14.25	14.25	13.95	13.95	13.95	13.00	13.00	13.00	12.10
Farm labor \$/hour	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93
Interest rate, annual	12.36	12.36	12.15	12.15	12.15	12.02	12.02	12.02	11.88	11.88	11.88	11.88
Transportation rate \$/cwt. per 100 mile 7/	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Marketing expenses \$/cwt. 8/	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Index of prices paid by farmers (1910-14=100)	1227	1227	1224	1224	1224	1246	1246	1246	1260	1260	1260	1265

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individuals for management, production, and locality of operation. 2/ Assumes 1 hour at twice the labor rate. 3/ Adjusted quarterly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 4/ Average price received by farmers in IA and IL. 5/ Price derived from an equivalent price of 5 bushels corn and 330 lb. hay. 6/ Average price paid by farmers in IA and IL. 7/ Converted from cents/mile for a 44,000-lb. haul. 8/ Yardage plus commission fees at a Midwest terminal market.

Table 16--Great Plains custom cattle feeding: Selected costs at current rates 1/

Purchased During 1989-90 Marketed During 1990-91	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July Jan.
Expenses: (\$/head)												
600 lb. feeder steer	511.80	492.00	503.28	496.80	511.02	500.70	504.78	516.78	515.28	523.80	525.78	536.64
Transportation to feedlot (300 miles)	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96
Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Feed												
Milo (1500 lb) 2/	70.50	68.10	63.90	63.15	62.85	62.55	62.70	64.20	67.80	72.15	72.45	74.85
Corn (1500 lb) 2/	77.25	72.75	73.35	72.45	72.45	72.75	73.50	76.35	81.45	85.50	85.65	82.35
Cotton seed meal (400 lb)	51.60	51.60	53.60	53.60	53.60	54.40	54.40	54.40	63.60	63.60	63.60	52.40
Alfalfa hay (800 lb) 3/	50.00	50.00	53.20	52.80	47.60	53.20	52.00	56.00	48.40	56.80	51.20	58.00
Total feed cost	249.35	242.45	244.05	242.00	236.50	242.90	242.60	250.95	261.25	278.05	272.90	267.60
Feed handling and management charge	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Vet medicine	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Interest on feeder and 1/2 feed	40.10	38.63	38.14	37.69	38.39	37.64	37.88	38.86	38.75	39.77	39.73	40.23
Death loss (1.5% of purchase)	7.68	7.38	7.55	7.45	7.67	7.51	7.57	7.75	7.73	7.86	7.89	8.05
Marketing 4/	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.
Total	839.88	811.42	823.98	814.90	824.53	819.71	823.79	845.30	853.97	880.44	877.26	883.48
Selling price required to cover: 5/ \$/cwt.												
Feed and feeder cost (1056 lb)	72.08	69.55	70.77	69.96	70.79	70.42	70.77	72.70	73.54	75.93	75.63	76.16
All costs	79.53	76.84	78.03	77.17	78.08	77.62	78.01	80.05	80.87	83.37	83.07	83.66
Selling price 6/	78.62	79.31	80.00	78.14	76.73	75.07						
Net margin	-0.91	2.47	1.97	0.97	-1.35	-2.55						
Cost per 100 lb. gain:												
Variable cost												
less interest \$/cwt.	56.21	54.77	55.12	54.69	53.63	54.88	54.83	56.54	58.60	61.98	60.96	59.93
Feed costs \$/cwt.	49.87	48.49	48.81	48.40	47.30	48.58	48.52	50.19	52.25	55.61	54.58	53.52
Prices: (\$/cwt)												
Choice feeder steer 600-700 lb. Amarillo	85.30	82.00	83.88	82.80	85.17	83.45	84.13	86.13	85.88	87.30	87.63	89.44
Transportation rate \$/cwt/100 miles 7/	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Commission fee \$/cwt.	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Feed, Prices, Texas												
Milo \$/cwt	4.55	4.39	4.11	4.06	4.04	4.02	4.03	4.13	4.37	4.66	4.68	4.84
Corn \$/cwt.	5.00	4.70	4.74	4.68	4.68	4.70	4.75	4.94	5.28	5.55	5.56	5.34
Cottonseed Meal (41%) \$/cwt. 8/	12.90	12.90	13.40	13.40	13.40	13.60	13.60	13.60	15.90	15.90	15.90	13.10
Alfalfa hay \$/ton	95.00	95.00	103.00	102.00	89.00	103.00	100.00	110.00	91.00	112.00	98.00	115.00
Feed handling and management \$/ton	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Interest, annual rate 9/	12.60	12.60	12.20	12.20	12.20	12.10	12.10	12.10	12.00	12.00	12.00	12.00

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feedlots. For individual use, adjust expenses and prices for management, production, and locality of operation. Steers are assumed to gain 500 lb in 180 days at 2.8 lb per day with feed conversion of 8.4 lb per pound gain. 2/ Texas Panhandle elevator price plus \$.15/cwt handling and transportation to feedlots. 3/ Average price received by farmers plus \$30/ton handling and transportation to feedlots. 4/ Most cattle sold f.o.b. at the feedlot with 4-percent shrink. 5/ Sale weight 1,056 lb (1,100 lb less 4-percent shrink). 6/ Choice slaughter steers, 900-1100 lb, Texas-New Mexico direct. 7/ Converted from cents per mile for a 44,000-lb haul. 8/ Average prices paid by farmers. 9/ Prime rate plus 2 points.

Table 17--Beef, Choice Yield Grade 3: Retail, wholesale, and farm values, spreads, and farmers' share 1/

Year	Retail price 2/	Wholesale value 3/	Gross farm value 4/	By-product allowance 5/	Net farm value 6/	Farm retail-spread			Farmers' Share 7/
						Total	Wholesale-retail	Farm wholesale	
-----Cents per pound-----									Percent
1985	228.6	148.8	142.2	14.8	127.4	101.2	79.8	21.4	56
1986	226.8	146.5	140.0	15.0	125.0	101.8	80.3	21.5	55
1987	238.4	160.0	157.6	18.9	138.7	99.7	78.4	21.3	58
1988	250.3	169.4	169.4	21.1	148.3	102.0	80.9	21.1	59
I	241.7	164.1	166.0	22.3	143.7	98.0	77.6	20.4	59
II	250.1	176.6	176.2	22.2	154.0	96.1	73.5	22.6	62
III	254.5	164.7	163.8	20.7	143.1	111.4	89.8	21.6	56
IV	255.0	172.3	171.4	19.2	152.2	102.8	82.7	20.1	60
1989	265.7	176.8	177.6	20.0	157.6	108.1	88.9	19.2	59
I	260.7	177.3	179.6	19.7	159.9	100.8	83.4	17.4	61
II	267.0	180.4	179.5	19.3	160.2	106.8	86.6	20.2	60
III	268.0	172.5	171.3	20.1	151.2	116.8	95.5	21.3	56
IV	266.9	176.8	180.1	21.2	158.9	108.0	90.1	17.9	60
1990									
Jan.	274.4	187.1	189.4	21.8	167.6	106.8	87.3	19.5	61
Feb.	271.0	186.0	188.7	21.5	167.2	103.8	85.0	18.8	62
Mar.	272.5	187.7	190.4	21.1	169.3	103.2	84.8	18.4	62
I	272.6	186.9	189.5	21.5	168.0	104.6	85.7	18.9	62
Apr.	277.9	190.1	192.0	21.2	170.8	107.1	87.8	19.3	61
May	283.6	191.6	187.9	20.7	167.2	116.4	92.0	24.4	59
June	282.1	187.8	184.2	20.3	163.9	118.2	94.3	23.9	58
II	281.2	189.8	188.0	20.7	167.3	113.9	91.4	22.5	59
July	279.9	183.3	180.6	20.1	160.5	119.4	96.6	22.8	57

1/ Series revised August 1990. 2/ Estimated weighted-average of BLS prices of retail cuts from Choice Yield Grade 3 carcass. 3/ Value of wholesale quantity equivalent to 1 lb of retail cuts. A wholesale equivalent of 1.142 is used. 4/ Market value to producer for 2.4 lb of live animal, equivalent to 1 lb of retail cuts. 5/ Portion of gross farm value attributed to edible and inedible by-products. 6/ Gross farm value minus farm by-product allowance. 7/ Percent net farm value is of retail price.

Tallow - A Minor By-product Credit

Recently, several major fast food chains indicated they were switching from beef tallow to vegetable oil shortening as a frying medium, as many consumers prefer to reduce saturated animal fats and cholesterol in their diets. This decline in fast food demand will decrease the demand for edible tallow. However, since beef tallow is a minor by-product the impact on live cattle prices is seen as modest. Agricultural Marketing Service (AMS) estimates that a 1,000 pound steer when slaughtered produces about 13 pounds of edible and 45 pounds of inedible tallow.

Recently, edible tallow prices were 14.25 cents per pound with inedible at 13.5 cents. A year earlier edible was quoted at 15.5 cents and inedible at 13.8. If the value of edible tallow was reduced by 2 cents per pound and inedible by 1 cent, a fairly large impact, this would represent an impact of about \$.75 per steer or about 6 to 7 cents per hundred pounds of live weight.

The hide is the major by-product to influence by-product credits for beef slaughterers. In June, by-product credits for a 1,000 pound steer were about \$85 per head according to AMS. The hide contributed about two thirds of this value, while tallow contributed less than 8 percent.

is forecast to rise 5 pounds as pork and poultry production expand. On a boneless, equivalent product basis per capita beef consumption may average about 64 pounds while pork consumption rises to 44 pounds and broiler consumption rises to 51 pounds. The meat complex is rapidly shifting to a boneless product.

U.S. Cattle and Beef Trade

Live Cattle Imports a Record in 1990

Cattle imports are forecast to decline moderately in 1991 following a rapid increase in 1990. Imports are forecast to increase at least 17 percent in 1990 to over 1.7 million head. Although imports of Mexican cattle rose 21 percent from a

Table 18--U.S. live cattle trade 1/

Country or area	Annual 1989	January - May		
		1989	1990	Percent change
		Thousand head		Percent
Imports				
Mexico	873.6	503.7	610.0	21.1
Canada	584.7	238.1	381.0	60.0
Other	1.1	1.1	0.0	-100.0
Total	1459.4	742.9	991.0	33.4
Exports				
Mexico	124.9	81.5	30.2	-63.0
Canada	23.7	5.1	12.4	141.1
Other	20.6	12.1	13.7	13.4
Total	169.1	98.7	56.3	-43.0

1/ May not add due to rounding. Percent change calculated from unrounded data.

Table 19--Imports of feeder cattle and calves and hogs from Canada and Mexico

Year	Feeder cattle and calves		Hogs
	Canada	Mexico	Canada
	Number		
1988			
Jan.	28,013	304,053	58,942
Feb.	29,193	233,635	43,759
Mar.	34,848	95,394	53,682
Apr.	30,899	58,169	55,393
May	44,319	32,816	51,366
June	41,631	5,043	62,137
July	25,098	0	53,360
Aug.	48,177	8	83,256
Sept.	56,200	0	104,310
Oct.	53,307	178	108,945
Nov.	56,006	4,184	106,901
Dec.	29,016	107,805	53,074
Total	476,707	841,285	835,125
1989			
Jan.	52,285	105,822	162,762
Feb.	34,515	146,996	103,245
Mar.	39,386	132,921	144,106
Apr.	46,410	108,428	65,383
May	61,756	9,401	74,488
June	58,534	233	70,821
July	19,379	3,429	35,796
Aug.	51,205	4,172	111,765
Sept.	50,484	716	74,946
Oct.	65,841	509	79,625
Nov.	54,132	132,404	61,972
Dec.	40,861	228,357	88,255
Total	573,408	873,388	1,073,164
1990			
Jan.	53,709	126,109	119,009
Feb.	68,728	117,738	91,116
Mar.	74,048	122,648	68,791
Apr.	87,155	125,692	90,417
May	90,785	117,799	83,125

year ago during January-May 1990, imports from Canada increased over 60 percent.

Mexico's export tariff was reduced to 10 percent (minimum \$30 per head) in September 1989, and will be reduced to 5 percent in September 1990. Some Mexican producers may hold back exporting cattle until the export tariff drops in September. Although imports normally surge in November-December, this year imports may be more evenly spaced. This is mainly because of the revised Mexican export procedures that no longer require export permits, previously issued about September, and the drought-reduced inventories.

Inventories in northern Mexico are declining because of the very dry weather and steers from the south are being sent north for export. Prior to the autumn of 1988, the Mexican Government restricted exports to steers from northern Mexican states. This was to ensure a supply of cattle for the Mexico City market, which in many years was not offering as attractive a price as the U.S. market.

The availability of steers in Mexico is the big question that will determine exports next year. If the poor weather conditions continue, along with low calving rates and increased cow slaughter, steer exports could decline in 1991.

U.S. imports of cattle from Mexico, as reported by USDA's Animal and Plant Health Inspection Service, reached 725,488 head for the period January 1-July 28, 1990. Preliminary Canadian trade data show January-July exports of

slaughter cattle at 289,860 head, up 26 percent from a year earlier. Canadian feeder cattle exports are 89,420 head, compared with 15,218 last year.

Total U.S. cattle imports from Canada were up 60 percent in January-May 1990 over last year. Very attractive cattle prices in the United States compared to similar markets in Canada are drawing imports. As killing capacity increases in Canada, exports to the United States will moderate and are forecast to be down in 1991.

U.S. Beef and Veal Imports Down In 1990, Up In 1991

U.S. beef and veal imports are forecast to decline 1 percent in 1990 to about 2,150 million pounds, then increase 2 percent in 1991. Most of the decline in 1990 will be from lower imports from New Zealand. New Zealand is holding back cattle from slaughter to increase herds. About 75 percent of New Zealand's exports are destined for the United States, and exports should continue at about the same level in 1991.

Imports from Australia are up so far this year but are forecast to drop below 1989 in the last half of 1990. Dry weather in Australia from late 1989 to early 1990 caused increased slaughter. At the same time, attractive U.S. prices and a slowdown in Japanese imports directed Australian beef to the U.S. market. However, stocks of frozen imported beef began to build in the United States and import prices dropped at the end of February. Additional Australian output next year should mean increased exports to the United States in 1991.

U.S. imports from Brazil are up so far in 1990. However, with Brazil having lost their residue certification from the USDA's Food Safety and Inspection Service, imports may cease. Because of lack of funds for its laboratories, Brazil did not produce residue samples for products to be exported to the United States. Under U.S. law, countries without an

Table 20--U.S. beef and veal trade, carcass weight 1/

Country or area	Annual 1989	January - May		Percent change
		1989	1990	
		Million pounds		Percent
Imports				
Australia	818.4	288.5	412.0	42.8
New Zealand	658.4	368.3	250.3	-32.0
Canada	239.2	93.8	91.4	-2.6
Brazil	78.2	31.4	41.3	31.4
Argentina	189.3	68.0	83.0	22.1
Central America	170.3	61.3	72.4	18.2
Other	21.6	9.3	10.1	8.1
Total	2175.4	920.6	960.5	4.3
Exports				
Japan	799.0	276.4	234.2	-15.2
Canada	93.9	39.0	74.1	90.0
Caribbean	21.7	8.3	10.7	29.8
Korea, S.	54.5	28.4	25.7	-9.7
Other	92.8	47.7	43.1	-9.7
Total	1061.9	399.7	387.8	-3.0

1/ Data may not add due to rounding. Percent change calculated from unrounded data.

acceptable residue testing program may not export to the United States. This affected any meat produced in Brazil after June 1, 1990. Imports of canned corned beef from Argentina will likely increase as a result, and U.S. import forecasts are expected to be only minimally affected.

Argentine exports to the United States were up in January-June 1990 over last year. Because Argentina has hoof and mouth disease only cooked beef and veal in airtight containers can be exported to the United States. This is also true for other countries with this problem, such as Brazil. However, under a proposed bilateral accord, the temperature at which the Argentine meat is cooked would be reduced. This could open up new markets for Argentine beef in 1991 and result in increased exports of higher valued beef to the United States.

Japan Is the Major U.S. Beef and Veal Export Market

Beginning in 1991, beef exports to Japan will no longer be regulated by Japan's Livestock Industry Promotion Corporation (LIPC) or under a quota agreement, but will instead be subject to a 70 percent ad valorem tariff. This could have a greater impact on Japanese imports of U.S. chilled beef because it would become relatively more expensive compared with Australian chilled beef. Chilled beef is the fastest growing segment of their beef market. Much of U.S. chilled beef is shipped by air and competes with Australian chilled beef shipped by sea, a less expensive form of transport. The ad valorem tariff will be applied to the c.i.f. price (price including costs, insurance and freight) and U.S. chilled beef could find it more difficult to compete because of the added expense of air transport.

1989 Beef and Veal Export Data Adjusted

Preliminary adjustments have been made to U.S. beef and veal export data for 1989, reducing total exports by 4 percent.

When the United States switched to the Harmonized Import and Export Codes in January 1989, there was much confusion created as code numbers and classification descriptions were changed. It appears that metric conversion factors were being inappropriately applied to some quantities, resulting in an overexpansion of these quantities by a factor of 2.2. The U.S. Census Bureau is currently reviewing the suspect data. Partially offsetting was a programming error that excluded export codes for bovine carcasses and half-carcasses from which product-weight-to-carcass-weight conversions were made. The situation and outlook and trade tables published herein now represent our preliminary estimates, including the expected data adjustments for 1989.

About three-fourths of U.S. beef and veal exports go to Japan. Under the Beef and Citrus Agreement, Japan agreed to increase imports by 60,000 metric tons per fiscal year until April 1991 when the quota system would be eliminated. Last year, much beef went into storage in Japan because moving the meat on the Japanese market was difficult. Rapid price declines did not materialize, as many had anticipated, as the LIPC was being phased out of the import picture.

In order for Japan to fulfill the agreement, large purchases must be made this fall. Therefore, U.S. exports would increase substantially in the fourth quarter of 1990 and the first quarter of 1991. U.S. exports to Japan are down slightly so far this year.

South Korea has announced an intention to increase beef and veal imports. Inventories and output are down, so any increase in consumption will have to come from imports. Although U.S. exports to Korea are down in the first five months of 1990, they are expected to increase in the latter part of the year.

Sheep and Lambs

Higher dressed weights resulted in an 8-percent increase in lamb and mutton production in June 1990. Sheep and lamb slaughter for June 1990 increased 1 percent above the same month last year. Second-quarter production increased 13 percent above the same period in 1989, as a result of higher dressed weights and increased slaughter. Dressed weights

Table 21--Commercial sheep and lamb slaughter 1/ and production

Year	Lambs	Sheep	Total	Dressed weight	Production
	-----1,000 head-----			Lb	Mil lb
1986					
I	1,438	72	1,510	60	90
II	1,246	97	1,343	58	78
III	1,324	80	1,404	58	81
IV	1,306	72	1,378	60	82
Year	5,314	321	5,635	59	331
1987					
I	1,213	57	1,270	60	76
II	1,211	79	1,290	58	75
III	1,241	75	1,316	59	77
IV	1,253	70	1,323	61	81
Year	4,918	281	5,199	59	309
1988					
I	1,292	62	1,354	63	85
II	1,178	82	1,260	63	80
III	1,255	80	1,335	60	80
IV	1,265	79	1,344	63	84
Year	4,990	303	5,293	62	329
1989					
I	1,306	66	1,372	63	87
II	1,198	96	1,294	62	80
III	1,264	101	1,365	60	82
IV	1,351	83	1,434	64	92
Year	5,119	346	5,465	62	341
1989					
I	1,356	67	1,423	65	93
II	1,313	93	1,406	64	90

1/ Classes estimated.

for the year have averaged 66 pounds, up from 64 pound last year.

Prices for slaughter lambs in San Angelo, Texas, have responded to this increased production and have dropped to around \$59 from an average of \$75 last year. Increased slaughter and high dressed weights will keep third-and fourth-quarter production above last year's levels. Prices for lamb at San Angelo are expected to average \$52 to \$56 for the third quarter and \$54 to \$60 in the fourth. Production of lamb and mutton in 1991 is expected to remain at the same level as 1990, 363 million pounds. Preliminary indications show little expansion in the breeding flock. Mature sheep slaughter, under Federal inspection, for the first half of 1990 was off slightly from 1989, 155,000 to 157,000 head.

Exports of sheep to Mexico, also an outlet for cull sheep, were down 1,000 head through May, compared with last year. This indicates that producers are not culling heavily. On the other hand, producers do not appear to be increasing retention of lambs for the breeding flock.

Lamb slaughter under Federal inspection is up 7 percent through June, from a 5 percent higher stock sheep inventory. These offsetting factors point to little change in the size of the breeding flock for 1991 and correspondingly little change in production. Prices for slaughter lambs are expected to average \$54 to \$61 next year.

Hogs

Cautious Expansion Expected

Despite generally favorable returns to hog producers this year, they are expected to cautiously expand breeding herds. In years past, a steep rise in returns would encourage gilt retention, resulting in a jump in pork production and lower prices in the following year. Notwithstanding, expected higher corn prices over the next 12 months and a steep drop in hog prices in late summer clouds the long-term profit outlook. However, some expansion of the breeding herd is expected during the remainder of 1990 and into early 1991. Commercial pork production in 1991 is projected to rise a modest 3 percent above 1990 and total 15.9 billion pounds.

Retail pork prices reached a record \$2.18 per pound in June and are expected to remain high during the summer before moderating in the fall. The more attractive retail prices of chicken are expected to pressure retail/wholesale pork and hog prices as consumers substitute poultry for pork. In addition, hog slaughter is increasing seasonally and is expected to be near year-ago levels this fall. Seasonally rising pork production, along with increased competition from poultry, is expected to pressure hog prices down at least \$10 per cwt from midsummer to midfall, a greater-than-usual decline.

The sharp price break could put farrow-to-finish producers near breakeven or even in a loss position this fall. The outlook for profitability in 1991 is for near breakeven in early 1991 and some modest returns over total costs in the spring and summer when prices are seasonally high. However, pro-

Table 22--Pork: Retail, wholesale, and farm values, spreads, and farmers' share

Year	Retail price 1/	Wholesale value 2/	Gross farm value 3/	By-product allowance 4/	Net farm value 5/	Farm retail spread			Farmers' share 6/
						Total	Wholesale-retail	Farm-wholesale	
-----Cents per pound-----									Percent
1985	162.0	101.1	76.2	4.8	71.4	90.6	60.9	29.7	44
1986	178.4	110.9	87.3	4.9	82.4	96.0	67.5	28.5	46
1987	188.4	113.0	87.9	5.2	82.7	105.7	75.4	30.3	44
1988	183.4	101.0	73.8	4.6	69.4	114.0	82.4	31.6	38
I	183.9	104.3	76.4	4.6	71.8	112.1	79.6	32.5	39
II	184.8	105.1	78.0	4.6	73.4	111.4	79.7	31.7	40
III	185.9	99.5	75.0	4.6	70.4	115.5	86.4	29.1	38
IV	179.0	95.3	66.2	4.0	62.2	116.8	83.7	33.1	35
1989	182.9	99.2	75.0	4.6	70.4	112.5	83.7	28.8	38
I	180.0	92.9	69.4	4.3	65.1	114.9	87.1	27.8	36
II	178.6	94.6	71.5	4.4	67.1	111.5	84.0	27.5	38
III	183.9	100.8	78.2	4.8	73.4	110.5	83.1	27.4	40
IV	188.9	108.4	80.8	4.7	76.1	112.8	80.5	32.3	40
1990									
Jan.	195.1	104.8	81.5	4.9	76.6	118.5	90.3	28.2	39
Feb.	196.5	105.6	83.4	5.0	78.4	118.1	90.9	27.2	40
Mar.	197.0	110.9	88.5	5.2	83.3	113.7	86.1	27.6	42
I	196.2	107.1	84.5	5.1	79.4	116.8	89.1	27.7	40
Apr.	200.9	114.8	91.6	5.5	86.1	114.8	86.1	28.7	43
May	206.2	127.2	105.7	6.2	99.5	106.7	79.0	27.7	48
June	218.1	125.6	103.1	6.2	96.9	121.2	92.5	28.7	44
II	208.4	122.5	100.2	6.0	94.2	114.2	85.9	28.3	45
July	222.2	127.3	105.4	6.2	99.2	123.0	94.9	28.1	45

1/ Estimated weighted-average of BLS prices of retail cuts from pork carcass. 2/ Value of wholesale quantity equivalent to 1 lb of retail cuts. A wholesale-carcass equivalent of 1.06 is used. 3/ Market values to producer for 1.7 lb of live animal, equivalent to 1 lb of retail cuts. 4/ Portion of gross farm value attributable to edible and inedible by-products. 5/ Gross farm value minus by-product allowance. 6/ Percent net farm value is of retail price.

Table 23--Farrow-to-finish hog production costs and returns, 1,600 head annual sales, North Central Region 1/

Item	1989			1990						
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
	Dollars per cwt									
Cash receipts: 2/										
Market hogs (94.25 lb)	44.57	43.12	46.41	45.28	46.00	48.81	51.19	58.61	58.03	59.40
Cull sows (5.75 lb)	2.27	2.12	2.22	2.39	2.41	2.63	2.81	3.05	2.93	2.71
Total	46.84	45.24	48.63	47.67	48.41	51.44	54.00	61.66	60.96	62.11
Cash expenses:										
Feed--										
Corn (345.6 lb)	15.47	15.36	14.49	14.40	14.02	14.27	14.29	14.18	13.89	14.20
Soybean meal (70.6 lb)	11.01	10.80	10.80	10.80	9.33	9.33	9.33	8.76	8.76	8.76
Mixing concentrates (14.3 lb)	2.99	2.99	2.99	2.99	3.05	3.05	3.05	3.05	3.05	3.05
Total feed	29.47	29.15	28.28	28.19	26.40	26.65	26.67	25.99	25.70	26.01
Other--										
Veterinary and medicine 3/	0.78	0.78	0.78	0.78	0.80	0.80	0.80	0.80	0.80	0.80
Fuel, lube, and electricity	1.56	1.54	1.54	1.54	1.58	1.58	1.58	1.57	1.57	1.57
Machinery and building repairs	2.52	2.52	2.52	2.55	2.55	2.55	2.55	2.55	2.55	2.55
Hired labor 4/	1.48	1.48	1.48	1.53	1.53	1.53	1.53	1.53	1.53	1.53
Miscellaneous	0.69	0.69	0.69	0.69	0.70	0.70	0.70	0.70	0.70	0.70
Total variable expenses	36.50	36.16	35.29	35.28	33.56	33.81	33.83	33.14	32.85	33.16
General farm overhead	1.83	1.77	1.90	1.86	1.92	2.04	2.14	2.44	2.42	2.46
Taxes and insurance	0.74	0.70	0.70	0.70	0.72	0.72	0.72	0.70	0.70	0.70
Interest	3.83	3.70	3.97	3.90	3.85	4.09	4.30	4.91	4.85	4.94
Total fixed expenses	6.40	6.17	6.57	6.46	6.49	6.85	7.16	8.05	7.97	8.10
Total cash expenses 5/	42.90	42.33	41.86	41.74	40.05	40.66	40.99	41.19	40.82	41.26
Receipts less cash expenses	3.94	2.91	6.77	5.93	8.36	10.78	13.01	20.47	20.14	20.85
Capital replacement	5.95	6.03	6.03	6.03	6.08	6.08	6.08	6.12	6.12	6.12
Receipts less cash expenses and replacement	-2.01	-3.12	0.74	-0.10	2.28	4.70	6.93	14.35	14.02	14.73

1/The feed rations and expense items do not necessarily coincide with the experience of the individual hog operator and are an average of a group of operations. For individual use, adjust expenses and prices for management, production level, and locality of operation. 2/ Based on 94.25 lb of barrows and gilts liveweight and 5.75 lb of sows per cwt sold. 3/ Includes costs of feed medication, that is usually included as part of the feed cost. 4/ Based on .204 hours per cwt of liveweight hog marketed. 5/ Does not include a charge for family or operator labor (.732 hours)

ducers are expected to face returns below total costs in the fourth quarter, depending on prospects for the 1991 corn crop.

ERS budgeted costs and returns are for a farrow-to-finish operation marketing 1,600 head per year. Since economies of size exist, producers marketing more than 1,600 hogs per year likely have returns greater than those estimated by the ERS budget. In addition, when feed costs rise, or are expected to rise, feeder pig prices are bid down. For the remainder of 1990 and most of 1991, feeder pig producers' returns are expected to be squeezed more than those of farrow-to-finish producers.

The breeding inventory is expected to show a year-over-year increases in the coming months. Over the next several months small farrow-to-finish and feeder pig producers are expected to reduce their breeding herds or exit the industry. On the other hand, larger farrow-to-finish producers with expected modest returns are expected to expand their breeding herds.

Smaller Stocks Strengthen Prices

Stocks of pork in cold storage this summer were down 26 percent from the historical large stocks of a year ago. During the summer, pork belly stocks and prices are an important determinant of hog prices. Pork bellies are used to produce bacon. Typically, belly stocks are accumulated

from November to June, and are drawn out of storage during the summer.

Stocks of pork bellies in cold storage on June 30 totaled 88 million pounds, down 30 percent from a year ago. The smaller frozen stocks, coupled with lower production, resulted in a much tighter supply this summer in contrast to the burdensome one a year ago. Belly prices averaged about \$19 per cwt above a year earlier. Since bellies account for 14-18 percent of the hog carcass, the improvement in prices added about \$3 to cutout values.

Other pork wholesale prices have also increased from a year ago, thus, cutout values averaged \$19 over a year ago during June and July. Barrow and gilt prices are expected to average around \$56-\$60 per cwt at the seven markets this summer, compared with \$46 a year ago.

Lower Hog Prices Anticipated In Fall and Winter

Barrow and gilt prices in the fall quarter are expected to average in the low \$50's per cwt, compared with \$47 a year ago. Pressuring hog prices this fall will be higher pork and turkey supplies. Fourth-quarter pork production is expected to be about the same as a year ago, but imports will be higher. For most of the year, imports were below a year ago.

Turkey production is expected to be up 3 percent and stocks at the beginning of the fourth quarter are projected to be up about 5 percent over last year. Turkey competes primarily

Table 24--Corn Belt hog feeding: Selected costs at current rates 1/

Purchased during 1989-90 Marketed during 1989-90	Aug. Dec.	Sept. Jan.	Oct. Feb.	Nov. Mar.	Dec. Apr.	Jan. May	Feb. June	Mar. July	Apr. Aug.	May Sept.	June Oct.	July Nov.
Expenses: (\$/head)												
40-50 lb feeder pig	30.00	30.72	37.25	38.33	36.21	44.58	54.41	63.19	64.97	56.80	47.32	46.38
Corn (11 bu)	24.64	24.64	23.98	24.42	24.64	24.42	24.75	25.85	27.83	29.04	29.59	28.60
Protein supplement (130 lb)	22.30	22.30	20.93	20.93	20.93	19.83	19.83	19.83	18.98	18.98	18.98	19.50
Total feed	46.94	46.94	44.91	45.35	45.57	44.25	44.58	45.68	46.81	48.02	48.57	48.10
Labor & management (1.3 hr)	13.03	13.03	12.74	12.74	12.74	13.48	13.48	13.48	12.74	12.74	12.74	12.61
Vet medicine 2/ Interest on purchase (4 mo)	2.91	2.91	2.90	2.90	2.90	2.95	2.95	2.95	2.98	2.98	2.98	2.99
Power, equip, fuel, shelter deprec. 2/ Death loss (4% of purchase)	1.24	1.27	1.51	1.55	1.47	1.79	2.18	2.53	2.57	2.25	1.87	1.84
Transportation (100 miles)	7.07	7.07	7.05	7.05	7.05	7.18	7.18	7.18	7.26	7.26	7.26	7.29
Marketing expenses	1.20	1.23	1.49	1.53	1.45	1.78	2.18	2.53	2.60	2.27	1.89	1.86
Misc. & indirect costs 2/ Total	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48
	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
	0.72	0.72	0.72	0.72	0.72	0.74	0.74	0.74	0.74	0.74	0.74	0.75
	104.73	105.51	110.19	111.79	109.73	118.37	129.32	139.90	142.29	134.68	124.99	123.44
Selling price required to cover: (\$/cwt)												
Feed and feeder costs (220 lb)	34.97	35.30	37.35	38.04	37.17	40.38	45.00	49.49	50.81	47.65	43.59	42.95
All costs (220 lb)	47.60	47.96	50.09	50.81	49.88	53.80	58.78	63.59	64.68	61.22	56.81	56.11
Feed cost per 100-lb gain (180 lb)	26.08	26.08	24.95	25.19	25.32	24.58	24.77	25.38	26.01	26.68	26.98	26.72
Barrows and gilts, (7 mkts)	49.33	47.94	48.51	51.91	54.11	62.18	60.75	61.87				
Net margin	1.73	-0.02	-1.58	1.10	4.23	8.38	1.97	-1.72				
Prices:												
40-lb feeder pig (So. Missouri) \$/head	30.00	30.72	37.25	38.33	36.21	44.58	54.41	63.19	64.97	56.80	47.32	46.38
Corn \$/bu 3/ Protein supp. 38-42 % \$/cwt 4/ Labor & management \$/hr 5/ Interest rate, annual Transportation rate (\$/cwt 100 miles) 6/ Marketing Expenses (\$/cwt) 7/ Index of prices paid by farmers (1910-14=100)	2.24	2.24	2.18	2.22	2.24	2.22	2.25	2.35	2.53	2.64	2.69	2.60
	17.15	17.15	16.10	16.10	16.10	15.25	15.25	15.25	14.60	14.60	14.60	15.00
	10.02	10.02	9.80	9.80	9.80	10.37	10.37	10.37	9.80	9.80	9.80	9.70
	12.36	12.36	12.15	12.15	12.15	12.02	12.02	12.02	11.88	11.88	11.88	11.88
	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
	1227	1227	1224	1224	1224	1246	1246	1246	1260	1260	1260	1265

1/ Although a majority of operations in the Corn Belt are from farrow-to-finish, relative fattening expenses will be similar. Costs represent only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. 2/ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 3/ Average price received by farmers in Iowa and Illinois. 4/ Average prices paid by farmers in Iowa and Illinois. 5/ Assumes an owner-operator receiving twice the farm labor rate. 6/ Converted from cents/mile for a 44,000-pound haul. 7/ Yardage plus commission fees at a Midwest terminal market.

with ham, the most important pork product in the fourth quarter. However, ham stocks this fall are expected to be below a year ago, which should lead to higher ham prices. Higher ham prices will be a strengthening factor for hog prices.

Weekly hog slaughter under Federal inspection is expected to reach 1.9 million head during the fall, compared with a low of 1.4 million head in midsummer. The seasonal increase in slaughter will accompany a substantial decline in hog prices in August. At their seasonal lows, barrow and gilt prices are expected to drop into the upper \$40's per cwt.

Pork Production To Rise In 1991

Hog slaughter in the first half of 1991 will be largely drawn from the June-November 1990 pig crop. Producers' intentions indicate that farrowings will be up 1 percent over a year ago. The pig crop is expected to be up 1-3 percent,

depending on the rise in the pigs per litter. Based on historical relationships, this pig crop would indicate production in first-half 1991 to be up about 2 percent above a year ago.

With producers expected to increase their breeding herds in the last half of 1990, a moderate rise is expected for the December 1990-May 1991 pig crop. Pork production in second-half 1991 is expected to be about 4 percent higher than a year earlier. The 7-market price for barrows and gilts is expected to average in the high \$40's to low \$50's per cwt in 1991, compared with an expected average in the mid-\$50's in 1990. Retail prices are expected to decline slightly from this year's record prices.

Table 25--Federally inspected hog slaughter

Week ended	1987	1988	1989	1990
Thousands				
Jan. 6	1,683	1,726	1,419	1,337
13	1,659	1,766	1,719	1,763
20	1,527	1,605	1,679	1,674
27	1,500	1,543	1,647	1,684
Feb. 3	1,455	1,535	1,631	1,647
10	1,502	1,545	1,656	1,656
17	1,395	1,542	1,678	1,677
24	1,533	1,595	1,665	1,624
Mar. 3	1,556	1,610	1,621	1,713
10	1,578	1,674	1,716	1,605
17	1,574	1,639	1,703	1,707
24	1,504	1,631	1,601	1,631
31	1,529	1,599	1,648	1,578
Apr. 7	1,553	1,573	1,761	1,661
14	1,468	1,655	1,780	1,642
21	1,393	1,660	1,813	1,594
28	1,453	1,695	1,764	1,594
May 5	1,475	1,654	1,732	1,579
12	1,440	1,634	1,654	1,586
19	1,448	1,577	1,632	1,528
26	1,232	1,533	1,618	1,522
June 2	1,385	1,323	1,343	1,236
9	1,372	1,489	1,589	1,460
16	1,341	1,513	1,589	1,452
23	1,356	1,503	1,533	1,472
30	1,193	1,537	1,500	1,402
July 7	1,360	1,330	1,244	1,191
14	1,345	1,537	1,557	1,461
21	1,354	1,542	1,518	1,430
28	1,334	1,456	1,501	1,361
Aug. 4	1,372	1,528	1,543	
11	1,445	1,571	1,612	
18	1,404	1,513	1,615	
25	1,475	1,563	1,610	
Sept. 1	1,548	1,607	1,713	
8	1,363	1,517	1,545	
15	1,671	1,807	1,888	
22	1,621	1,868	1,853	
29	1,658	1,803	1,785	
Oct. 6	1,640	1,830	1,810	
13	1,720	1,838	1,810	
20	1,664	1,845	1,797	
27	1,763	1,895	1,739	
Nov. 3	1,792	1,908	1,812	
10	1,778	1,827	1,791	
17	1,772	1,920	1,901	
24	1,463	1,562	1,564	
Dec. 1	1,845	1,956	1,908	
8	1,879	1,887	1,832	
15	1,729	1,800	1,716	
22	1,150	1,668	1,521	
29	1,458	1,420	1,443	

1/ Corresponding dates to 1990: 1987, Jan. 10; 1988, Jan. 9; 1989, Jan. 7.

U.S. Pork Trade

U.S. Pork Imports Remain Low

U.S. imports of pork for January-May equaled 359 million pounds, almost 14 percent below 1989. Although imports from Denmark and the Netherlands were about 25 percent above last year, imports from Canada were almost 20 percent lower and those from Eastern Europe were almost one-half of last year's levels. If these trends continue, it is estimated that total pork imports for the year will equal about 915 million pounds, about 2 percent above last year.

Table 26--Commercial hog slaughter 1/ and production

Year	Barrows & gilts	Sows	Boars	Total	Dress-ed wt.	Comm'l- prod.
----- 1,000 hd.-----					lb.	Mil lb.
1986						
I	19,272	920	187	20,379	175	3,570
II	19,224	896	196	20,316	176	3,568
III	17,365	999	210	18,573	174	3,237
IV	19,223	927	179	20,330	178	3,623
Year	75,084	3,742	772	79,598	176	13,998
1987						
I	19,008	762	170	19,940	178	3,540
II	17,877	846	188	18,911	176	3,327
III	18,201	1,009	186	19,396	174	3,384
IV	21,776	888	170	22,834	178	4,061
Year	76,862	3,505	714	81,081	177	14,312
1988						
I	20,281	890	189	21,360	177	3,790
II	19,736	941	200	20,877	179	3,727
III	19,968	1,182	228	21,378	177	3,775
IV	22,932	1,054	194	24,180	179	4,331
Year	82,916	4,068	811	87,795	178	15,623
1989						
I	20,738	943	195	21,876	178	3,887
II	20,687	1,038	219	21,944	179	3,928
III	20,175	1,178	209	21,562	176	3,789
IV	22,048	1,069	187	23,304	178	4,155
Year	83,648	4,228	810	88,686	178	15,759
1990						
I	20,786	886	207	21,879	178	3,902
II	19,096	940	221	20,257	180	3,645

1/ Classes estimated.

Table 27--U.S. pork trade, carcass weight 1/

Country or area	Annual 1989	January - May		
		1989	1990	Percent change
		Million pounds		Percent
Imports				
Canada	453.2	215.8	173.3	-19.7
Denmark	198.4	85.5	108.2	26.5
Poland	112.8	54.5	29.2	-46.5
Hungary	26.2	12.3	13.2	7.3
Other	105.1	48.6	35.3	-27.3
Total	895.7	416.7	359.2	-13.8
Exports				
Japan	147.8	51.1	60.5	18.2
Canada	13.0	4.6	9.1	94.8
Mexico	60.2	27.4	14.6	-46.6
Caribbean	15.0	5.3	4.8	-9.1
Other	26.5	8.3	23.0	177.8
Total	262.4	96.7	111.9	15.7

1/ Data may not add due to rounding. Percent change calculated from unrounded data.

Although Danish pork prices were very high in 1989, a sudden collapse late in the year and early 1990 resulted in a cutback in production early in 1990. However, prices have since recovered and the March 30 pig count indicates an increase in the breeding herd and a 2 percent increase in farrowing intentions. This should in turn translate into increased production later in the year and into 1991. Imports of Danish pork in the first five months of 1990 equaled 108 million pounds, 27 percent above last year, but still below historic levels.

Pork imports from Canada remain approximately 20 percent below last year. Agriculture Canada has forecast a 2-percent decline in pork production for the year, but reports that federally inspected slaughter for the first half of the year declined

about 5 percent. For the first half of the year, Canadian exports to Japan have remained flat, but those to other countries have increased by almost two-thirds.

The most recent Canadian report indicates little change in farrowing intentions for the third quarter. This will probably result in little change in production through, at least, the first quarter of 1991. In addition, a decline in the countervailing duty deposit rate on live swine later this summer could encourage increased hog imports relative to pork. However, the next review of the countervailing duty, currently underway, will cover April 1988 to March 1989, a period of high payments under the tripartite stabilization plan. Although the preliminary findings might be released in late September, a final ruling will probably not occur until the first quarter of 1991, at the earliest.

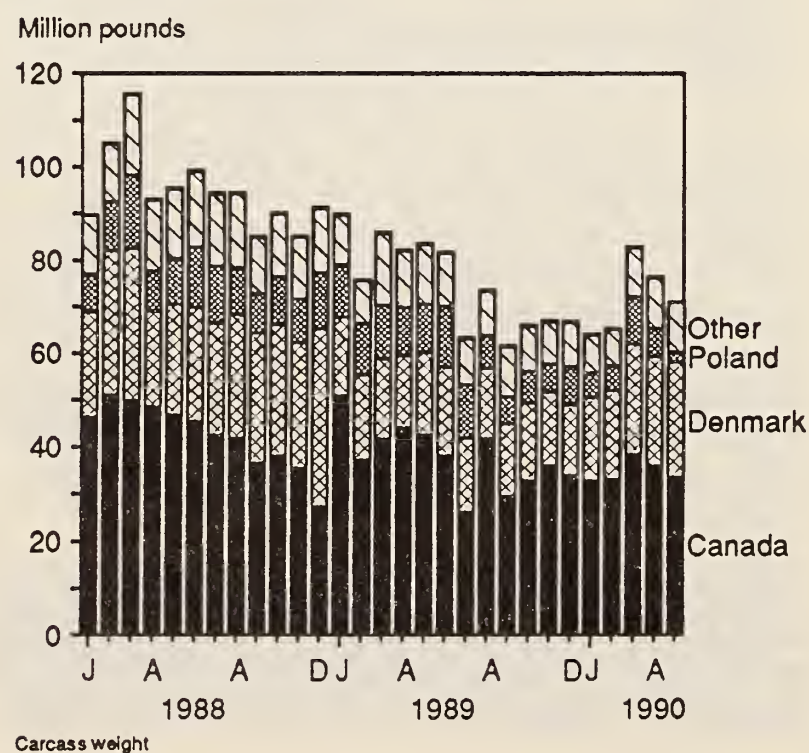
Given the low growth expected in Canada and Eastern Europe, total pork imports for 1991 are expected to increase

Table 28--U.S. live hogs trade 1/

Country	Annual 1989	January - May		Percent change
		1989	1990	
	1,000 head			Percent
Imports				
Canada	1073.2	550.0	452.5	-17.7
(Under 110 lb)	169.4	78.2	97.3	24.4
Total	1073.6	550.3	454.6	-17.4
Exports				
Mexico	78.1	64.5	26.8	-58.4
Other	15.2	6.5	4.8	-25.7
Total	93.3	71.0	31.7	-55.4

1/ Data may not add due to rounding. Percent change calculated from unrounded data.

Figure 4
U.S. Pork Imports



only 6 percent, to about 975 million pounds. Imports from Denmark are forecast to rebound to historic levels. But those from Canada, while increasing above 1990, will probably not regain the levels of the late 1980's. Imports of pork from Eastern Europe will most likely remain severely depressed through the year as Poland and Yugoslavia grapple with restructuring their agricultural sectors and filling domestic needs.

Live Hog Imports Down, But Feeder Pig Shipments Increase

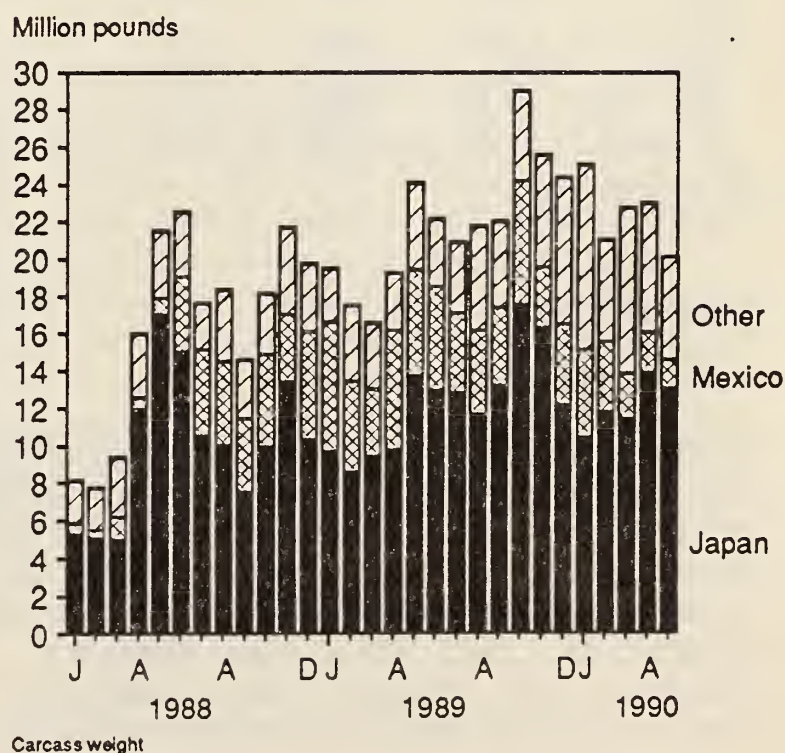
Live hog imports from Canada equaled about 450,000 head during January-May, 17 percent below 1989. However, much of this decline is the result of increased exports during the first quarter of 1989, when labor disruptions encouraged export of live hogs.

The number of pigs weighing less than 110 pounds (50 kilograms) increased by almost 25 percent to 97,000 head. Approximately 22 percent of total hog imports through May 1990 are lighter weight hogs, up from 14 percent for the same period in 1989.

Pork Exports Above 1989, But Could Slow

U.S. pork exports to Japan slowed in May and for the first 5 months increased by only 18 percent. This stagnation in May, coupled with continued declines in exports to Mexico, reduced total export sales for January-May to only 15 percent above last year. Excluding the shipment of pork to Poland, exports through May would have been less than 3 percent above last year. Overall sales for the year will probably equal about 260 million pounds.

Figure 5
U.S. Pork Exports



The Japanese government has reported that a fifth shipment of U.S. pork was found to contain residues of sulfamethazine above the allowable limit. The U.S. post in Japan reports that if a sixth shipment of pork is found to be contaminated, the Japanese Government will be forced to institute a 100 percent "hold and test" on U.S. pork or require certification from an approved U.S. laboratory. This would increase the cost of U.S. pork and could limit export growth even further.

Given the slow growth of U.S. exports in major markets and the potential for increased production in both Denmark and Taiwan, U.S. pork exports in 1991 will likely remain unchanged from 1990 levels.

Poultry and Eggs

Broilers

Broiler Production Growth Continues

Broiler production in 1990 is expected to expand almost 7 percent above a year earlier. Ready-to-cook production during first half 1990, at about 9.2 billion pounds, was up 8 percent over last year. Production for second half 1990 is expected to increase at a slower rate. Third-quarter production growth will likely reflect the 5-6 percent increases in broiler-type chicks hatched since May. A larger estimated hatchery supply flock supports expectations of a 6 percent increase in production during the fourth quarter.

Broiler Prices Below Year-earlier Levels

Wholesale broiler prices at 12 cities in 1990 are expected to average 54-57 cents per pound, 6 percent below 1989. For the second half, broiler prices will likely continue to average slightly lower than a year ago. Broiler prices moved up seasonally from mid-June through mid-July, but then prices started to weaken, reflecting increased supplies and lack of any stimulus on the demand side after the Fourth of July weekend. Broiler prices are expected to receive some help

from continuing high red meat prices, record broiler exports, and seasonal increases associated with summer activities, culminating with the Labor Day holiday. Third-quarter broiler prices will likely average 55-59 cents per pound, and drop seasonally in the fourth quarter to about 48-54 cents.

Retail prices for whole fryers during the first half of 1990 averaged about 91 cents per pound, down from 93 cents in 1989. Retail prices are expected to continue 5-6 percent lower than last year in the second half, at 85-91 cents. For all of 1990, retail prices are expected to average 88-91 cents per pound, 4 percent below a year ago.

Net Returns Still Positive, but Slightly Lower

Positive net returns are expected for 1990 despite large production increases, but returns will likely average slightly lower than a year ago. Lower broiler prices and a drop in feed costs during early 1990 brought net returns in the first half to an average of around 10 cents per pound, compared

Table 30--Broilers: Eggs set and chicks placed weekly 1/

Date	Eggs set			Chicks placed		
	1989	1990	Change	1989	1990	Change
	---Thousands---		Percent	---Thousands---		Percent
Jan.						
6	124,403	129,684	4.2	96,864	105,543	9.0
13	120,643	131,418	8.9	90,045	104,388	5.4
20	123,496	130,653	5.8	99,381	104,199	4.9
27	126,112	130,967	3.9	99,072	104,358	5.3
Feb.						
3	126,744	130,429	2.9	96,080	105,663	10.0
10	126,765	130,971	3.3	97,707	105,123	7.6
17	127,243	134,086	5.4	99,782	105,027	5.3
24	128,075	135,441	5.8	101,249	105,387	4.1
Mar.						
3	127,826	136,247	6.6	100,717	105,774	5.0
10	128,265	136,950	6.8	100,747	107,839	7.0
17	128,374	137,032	6.7	102,375	109,535	7.0
24	127,718	136,015	6.5	102,930	110,082	7.0
Apr.						
1	130,024	138,522	6.5	102,307	111,603	9.1
7	131,186	139,539	6.4	101,915	110,871	8.8
14	131,033	139,943	6.8	102,991	109,804	6.6
21	131,451	140,070	6.6	103,774	111,131	7.1
28	130,914	133,708	2.1	105,073	112,775	7.3
May						
5	130,983	136,094	3.9	105,878	111,629	5.4
12	131,375	138,198	5.2	105,571	112,866	6.9
19	132,893	138,526	4.2	105,434	107,519	2.0
26	132,360	140,238	5.9	106,010	110,604	4.3
June						
2	134,048	139,080	3.8	105,914	111,510	5.3
9	133,498	139,023	3.1	106,408	111,556	4.8
16	133,040	139,681	5.0	105,951	112,361	6.1
23	133,091	136,813	2.8	107,465	111,667	3.9
July						
1	124,691	127,627	2.4	106,809	111,632	4.5
7	128,854	136,961	6.3	106,778	112,122	5.0
14	129,364	136,115	5.2	106,879	110,096	3.0
21	129,599	135,424	4.5	100,202	101,601	1.4
28	129,853	135,282	4.2	103,609	109,193	5.4
Aug.						
4	128,195	135,270	5.5	103,461	108,627	5.0
11	129,368	135,064	4.4	103,274	109,034	5.6

1/ 15 States: Ala., Ark., Calif., Del., Fla., Ga., Md., Miss., N.C., Pa., S.C., Tenn., Tex., Va., and W. Va.

Table 29--Federally inspected young chicken slaughter, 1988-90

Year	Number	Average weight	Live weight	Certified RTC
	Million	Pounds	Million pounds	
1988:				
I	1,267	4.35	5,511	3,996
II	1,303	4.30	5,611	4,079
III	1,317	4.20	5,530	4,035
IV	1,272	4.36	5,555	4,015
Year	5,159	4.30	22,208	16,124
1989:				
I	1,310	4.35	5,698	4,129
II	1,394	4.33	6,032	4,389
III	1,412	4.29	6,052	4,395
IV	1,383	4.41	6,101	4,420
Year	5,499	4.34	23,882	17,334
1990:				
I 1/	1,412	4.39	6,201	4,495
II 2/	1,473	4.37	6,437	4,700

1/ Preliminary. 2/ Estimate.

Table 31--Broiler chicks hatched and pullet chicks placed in hatchery supply flocks, 1988-91

Month	Broiler-type chicks			Pullet chicks placed in broiler hatchery supply flocks					
				Monthly placements			Cumulative placements 1/		
	1988	1989	1990	1988	1989	1990	1989	1990	1991
Thousands									
January	468,333	482,802	516,289	3,593	3,982	4,587	32,512	34,352	37,096
February	432,813	443,923	472,853	4,186	4,173	4,340	32,484	34,764	
March	483,353	503,506	543,088	4,616	4,662	4,924	32,566	35,277	
April	464,386	494,911	535,827	4,019	4,385	4,592	33,046	35,882	
May	487,027	524,170	553,689	4,274	4,535	5,089	33,150	36,416	
June	473,782	510,554	540,923	3,944	4,528	5,134	32,327	35,762	
July	473,394	513,035		3,735	4,205		32,602	35,799	
August	479,734	510,272		4,199	4,807		32,310	35,851	
September	455,183	485,067		4,073	4,587		32,539	35,663	
October	456,819	484,375		4,290	4,707		33,466	36,382	
November	438,543	469,641		3,793	4,008		33,652	36,167	
December	489,033	522,093		4,294	4,422		34,114	36,669	

1/ 7-14 months earlier.

Table 32--Young chicken prices and price spreads

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
Cents/lb.													
Farm price 1/:													
1987	31.0	30.0	29.0	29.2	29.9	27.6	27.6	31.7	27.8	25.1	26.3	24.5	28.3
1988	26.8	25.9	27.4	28.3	33.7	37.4	41.5	42.3	39.1	35.7	34.8	35.4	34.0
1989	34.6	34.7	38.6	39.1	44.6	42.2	38.7	35.7	36.1	30.2	29.4	28.6	36.0
1990	30.7	33.5	36.4	33.2	35.2	34.1							
Wholesale RTC													
12-city avg. 2/:													
1987	51.8	49.8	48.5	48.6	50.5	45.5	47.0	52.6	46.4	43.2	44.6	39.8	47.4
1988	43.9	44.9	48.4	48.7	56.6	61.5	66.5	68.9	62.8	57.7	57.1	58.8	56.3
1989	58.0	58.0	62.1	63.5	70.4	67.4	62.0	57.3	59.9	51.7	49.2	48.4	59.0
1990	51.7	57.4	60.4	55.3	57.9	56.4	59.5						
U.S. avg.													
retail price:													
1987	82.1	83.2	80.4	79.2	78.2	77.1	75.5	78.5	79.3	79.1	75.6	73.6	78.5
1988	74.0	74.5	75.3	76.0	79.6	86.8	93.7	96.1	97.5	93.2	89.2	88.5	85.4
1989	90.5	89.9	91.3	93.2	96.1	98.2	96.4	95.4	94.2	91.0	87.9	88.3	92.7
1990	88.2	89.6	92.8	89.7	90.2	92.8	91.7						
Price spreads													
retail-to-cons.:													
1987	24.3	26.8	25.2	25.3	21.2	18.7	21.2	20.2	33.1	30.2	25.2	26.1	24.8
1988	23.7	24.4	21.6	20.5	16.5	18.0	22.8	21.9	29.9	28.8	26.7	24.1	23.2
1989	27.3	28.6	24.9	29.4	20.2	25.1	27.7	30.9	29.4	33.1	32.0	33.6	28.5
1990	30.5	27.0	29.0	29.4	26.5	30.5	24.9						
1982-84 = 100													
Retail pr. index													
wh. chickens:													
1987	119.5	118.7	115.2	113.1	112.9	111.6	109.9	113.9	114.6	113.0	109.2	107.7	113.3
1988	107.9	109.5	110.3	111.6	117.4	125.9	137.4	140.1	142.0	136.0	131.7	131.0	125.1
1989	133.7	133.2	135.6	138.0	142.9	144.7	141.7	140.8	139.1	134.9	130.4	130.4	137.1
1990	131.5	133.6	138.4	134.9	134.8	138.2	137.6						

1/ Liveweight. 2/ 12-city composite weighted average.

with about 13 cents a year ago. With expectations of lower broiler prices and feed costs for the second half compared with a year ago, average net returns will likely be about the same as last year, at 6-7 cents per pound.

Broiler Exports Still a Record

U.S. broiler exports continue at a record level in 1990, and are expected to exceed last year by about 25 percent. Nearly 60 percent of the January-May exports went to the USSR, Japan, and Hong Kong, and these exports consist mainly of leg parts. Export Enhancement Program sales are not playing a large role in exports this year. However, exports including some under the Export Enhancement Program to Saudi Arabia and other Middle East countries, are double those of last year, and through May totaled about 15 million

pounds, with about 25 percent as whole birds. U.S. exports to Iraq and Egypt, formerly large Export Enhancement Program importers, have not been made since early 1988. Exports to Iraq from the United States have recently been banned.

Broiler Expansion Continues Into 1991

Broiler production for 1991 is expected to be about 5 percent above 1990, which is lower than the increase expected for this year. The forecast of a slower rate of expansion is based on expectations of lower profitability in 1990. Expectations of growth can be supported by a hatchery supply flock estimated to be larger in late 1990 and early 1991. First-quarter 1991 production will likely be almost 6 percent above a year ago, following an approximately 9 percent increase in 1990.

Table 33--Poultry and eggs cost and returns 1/

Year	Production costs		Wholesale		Net returns
	Feed	Total	Total costs 2/	Price 3/	
Market eggs (cents/doz)					
1989:					
I	32.8	51.0	71.5	82.8	11.3
II	32.2	50.4	70.9	76.1	5.2
III	31.0	49.2	69.7	85.2	15.5
IV	28.3	47.0	67.0	96.1	28.6
Year	31.2	49.4	69.9	85.1	15.2
1990:					
I	27.6	45.9	66.3	90.8	24.4
II	29.6	47.8	68.3	76.9	8.6
III					
IV					
Year					
Broilers (cents/lb)					
1989:					
I	19.1	27.1	50.6	59.5	8.9
II	18.6	26.6	49.9	67.3	17.4
III	18.2	26.2	49.4	59.6	10.2
IV	16.8	24.8	47.5	49.8	2.3
Year	18.2	26.2	49.4	59.0	9.7
1990:					
I	15.7	23.7	46.0	56.5	10.5
II	15.8	23.8	46.1	56.6	10.5
III					
IV					
Year					
Turkeys (cents/lb)					
1989:					
I	27.9	41.6	68.3	61.6	-6.7
II	27.5	41.2	67.8	71.3	3.5
III	26.4	40.1	66.4	64.5	-1.9
IV	25.4	39.1	65.2	66.0	0.8
Year	26.7	40.4	66.8	66.0	-0.8
1990:					
I	23.1	36.8	62.3	55.6	-6.8
II	22.5	36.2	61.5	61.6	0.1
III					
IV					
Year					

1/ Estimated costs and prices are weighted by monthly production. 2/ Based on farm cost converted to wholesale market value. 3/ Wholesale prices used are the 12-metro egg price, 12-city weighted average broiler price, and a weighted average of 8-16 lb young hens and 14-22 lb toms in Central, Western and Eastern Regions.

Table 34--U.S. broiler exports to major importers,

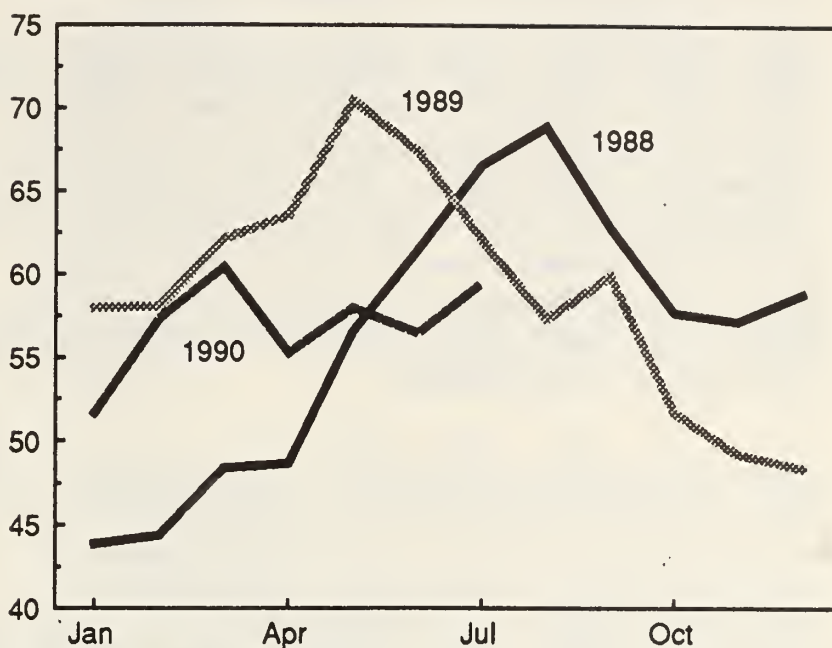
Country or area	January - May	
	1989	1990
1000 lb.		
U.S.S.R.	0	110,825
Japan	90,986	93,764
Hong Kong	70,887	73,703
Mexico	36,181	34,410
Canada	21,562	31,878
Singapore	28,829	19,021
Jamaica	26,073	12,277
Saudi Arabia	1,752	8,145
Spain	2,690	6,105
St. Lucia	3,009	4,679
Netherlands Antilles	4,826	4,101
French Polynesia	5,411	3,714
Other	34,571	74,757
Grand Total	326,777	477,379

Given production expectations, first-quarter wholesale broiler prices will likely average 50-56 cents per pound, and for all of 1991, 51-57 cents compared with the 54-57 cents

Figure 6

Wholesale Broiler Prices

Cents/lb.



12-City composite.

Table 35--U.S. mature chicken exports to major importers

Country or area	January - May	
	1989	1990
1000 lb.		
Canada	880	3,693
Netherlands Antilles	1,582	2,486
St. Lucia	1,047	1,418
Antigua	306	968
Mexico	1,964	652
Japan	114	466
Hong Kong	52	358
St. Christ-Nevis	379	339
St. Vincent	114	335
Peru	0	322
Singapore	0	222
Other	1,856	2,045
Grand Total	8,294	13,304

estimated for this year. Expected higher corn costs for most of next year will possibly lead to lower net returns in 1991. Expanded production implies that per capita consumption of broiler meat will likely be up 5 percent to around 73 pounds, compared with almost 70 pounds in 1990.

Broiler exports are projected to remain strong during 1991, and will probably be close to this year's record. The main factor in determining 1991's performance will be the level of sales to the USSR. Most other major importers such as the Pacific Rim countries led by Japan, as well as Canada, Mexico, and countries of the Caribbean, are expected to continue as major markets in 1991.

Turkeys

Turkey Output Growth Slows

Turkey production for the year is expected to increase around 9 percent from 1989, the sharpest since 1987's 17 percent jump. Turkey production during the third quarter, based on March-May poult placements, is expected to be up 5-6 percent compared with a year earlier. The first and second quarters were up 22 and 8 percent, respectively. Poult placement increases were generally moderate for several months because of poor returns, but in July were 10 percent above a year ago. Production for the fourth quarter will likely rise more than 3 percent, but remain considerably less than last year's 14 percent growth.

Turkey stocks have been building, but the rate should slow as turkey production slows. Total turkey stocks on July 1 were up 6 percent from 1989 to a record 483 million pounds, due mainly to stocks of other than whole turkey which were at a record 172 million pounds, 24 percent above a year earlier. Whole bird stocks were slightly below last year. Slower production growth forecast for the second half will ease the potential downward pressure on prices from the large stocks.

Prices Rising Slowly

Prices have been rising slowly at relatively low levels, given the large production growth during the first half. Eastern region wholesale hen prices are expected to increase to 62-66 cents per pound during the third quarter and slightly exceed those of a year earlier, for the first time this year. Last year, large production increases drove prices down during the third quarter. Relatively high red meat prices this year have helped turkey prices. Per capita consumption during the first half was up about 12 percent from a year earlier. The turkey industry initiated "June is Turkey Lovers' Month" to promote consumption in a slow period of the year.

Table 36--Federally inspected turkey slaughter, 1988-90

Year	Number	Average weight	Live-weight	Certified RTC
	Million	Pounds	Million pounds	
1988				
I	50.3	21.0	1,054.0	836.6
II	60.0	20.6	1,236.3	981.1
III	65.7	20.4	1,343.3	1,065.6
IV	61.4	21.4	1,314.2	1,040.1
Year	237.4	20.9	4,947.7	3,923.4
1989				
I	47.9	21.2	1,012.0	803.5
II	61.8	20.7	1,279.1	1,014.3
III	72.4	20.5	1,483.0	1,176.4
IV	69.6	21.5	1,492.4	1,180.6
Year	251.7	21.0	5,266.5	4,174.8
1990				
I 1/	57.2	21.7	1,240.2	983.4
II 2/	65.6	21.2	1,391.0	1,100.0

1/ Preliminary. 2/ Estimate.

Table 37--Turkey hatchery operations 1/

	Total turkeys placed 2/			Eggs in incubators first of month, changes from previous year		
	1987/88	1988/89	1989/90	1987/88	1988/89	1989/90
	- - Thousands - - -			- - Percent - -		
Sept.	15,024	15,725	19,900	16	7	27
Oct.	16,743	16,821	20,169	18	5	25
Nov.	17,714	18,413	20,733	21	4	14
Dec.	19,956	20,444	21,511	15	6	13
Jan.	22,315	23,183	24,702	10	2	9
Feb.	23,100	23,842	24,870	8	6	6
Mar.	25,101	26,959	27,286	4	5	1
Apr.	24,718	25,973	28,904	-1	8	6
May	25,559	28,369	29,036	-5	10	5
June	26,075	29,039	29,196	-3	12	7
July	23,677	26,329		-5	16	2
Aug.	19,458	23,002		-5	22	

1/ Breakdown by breed not shown to avoid disclosing individual operations. 2/ Excludes exported poults.

Fourth-quarter prices are forecast to average 62-68 cents as reduction of the record stocks tempers further price gains. Pricing strategies by retailers also will play a large role in fourth quarter wholesale prices. For the year, wholesale prices are estimated below 1989 levels. So far, retail prices for frozen whole turkeys have been very steady at about 99 cents per pound, and for the year are expected to average 99-102 cents, about the same as last year.

Net Returns Better in Second Half

Estimated net returns improved to about breakeven during the second quarter, assisted by lower feed prices, compared with a year earlier. However, returns remained below year-earlier levels. Third-quarter feed costs will likely be higher, but remain below a year ago, and net returns are estimated to be just above breakeven. Seasonally stronger turkey prices in the fourth quarter are expected to boost returns as feed costs hold about steady from the third quarter. But for the year, returns are projected to be only about breakeven.

Turkey Exports Up

U.S. turkey exports continue above year earlier levels, and 1990 exports are expected to exceed last year's 40 million pounds by 10-20 percent in volume and 20-30 percent in value. Turkey parts make up 85 percent of the total and their average export unit value from January-May 1990 was up 12 percent to 57 cents per pound. Mexico, where turkey production is down sharply due to poor returns, remains the leading importer. Exports to Canada are below last year in volume, but in value are up over 50 percent as almost all exports are of higher-valued parts. January-May sales to West Germany increased sharply as U.S. turkey is once again classified as spice-seasoned and not subject to prohibitive import levies as it was for several months during 1988-89. The USSR has become an important market and has already purchased more than for all of last year. Exports to the USSR and West Germany are all parts. Finally, exports to the Pacific coun-

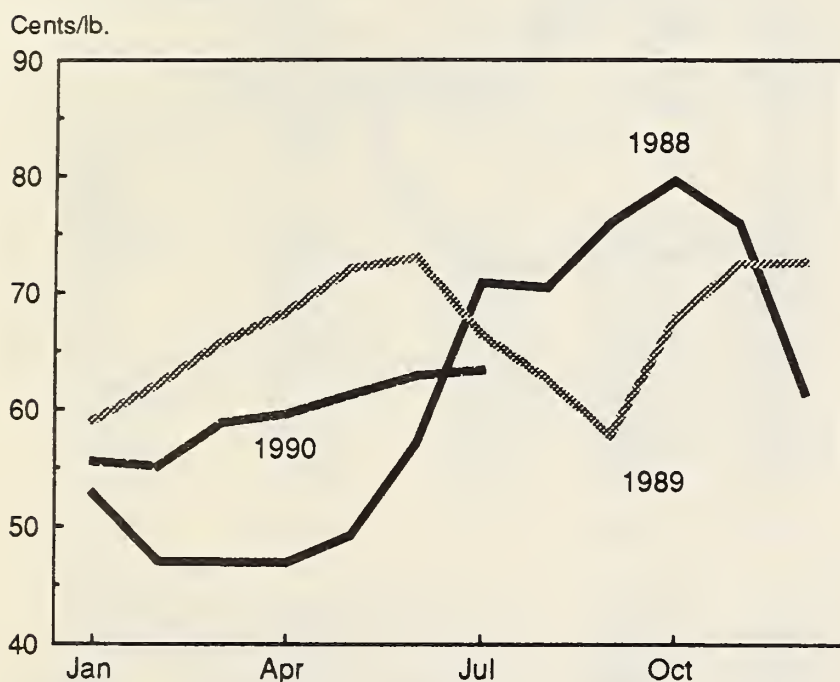
Table 38--Turkey prices and price spreads

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
Cents/lb.													
Farm price 1/:													
1987	35.1	35.8	35.7	36.3	35.5	34.1	33.5	32.1	31.3	30.2	34.0	38.4	34.3
1988	32.3	29.7	28.4	28.4	29.8	32.1	40.4	42.0	45.4	48.4	47.9	38.3	37.3
1989	35.5	38.4	40.3	42.0	43.6	43.8	41.2	40.8	36.4	38.2	40.7	39.3	40.0
1990	35.9	33.7	37.2	37.0	38.2	38.2							
New York, hens, 8-16 lb 2/:													
1987	55.3	58.5	60.3	58.3	55.3	55.7	56.3	56.1	56.1	54.7	60.7	66.5	57.8
1988	52.8	47.1	47.0	46.9	49.3	57.1	70.8	70.5	76.0	79.6	76.0	61.6	61.1
1989	59.0	62.2	65.7	68.3	72.1	73.0	66.4	62.6	57.9	67.6	72.5	72.7	66.7
1990	55.6	55.2	58.9	59.6	61.3	62.9	63.4						
4 region average retail price, wholebirds:													
1987	103.6	103.2	103.0	100.4	102.8	105.1	105.8	105.1	103.3	102.6	90.0	89.3	101.2
1988	93.1	92.9	91.0	89.4	92.9	92.9	96.0	99.5	100.6	104.0	99.2	97.1	95.7
1989	97.4	96.8	97.6	98.3	100.1	101.3	104.6	104.1	102.0	102.2	93.2	95.0	99.4
1990	98.9	98.3	99.4	97.1	99.8	99.8	100.8						
Price spreads, retail-to-consumer:													
1987	39.8	37.4	35.4	33.4	37.3	40.1	41.1	41.8	39.0	38.3	22.0	13.6	34.9
1988	29.8	35.0	33.4	33.0	35.1	24.6	23.7	21.0	17.3	16.5	14.7	26.7	25.9
1989	29.8	29.9	25.7	23.2	20.7	20.7	30.2	32.3	34.2	28.9	13.4	15.4	25.4
1990	33.7	33.7	32.1	27.7	29.8	29.7	32.1						
1982-84 = 100													
Consumer price index 3/:													
1987	113.3	111.6	112.0	109.6	111.6	111.8	112.1	111.6	109.4	109.2	103.5	103.9	110.0
1988	107.7	107.2	107.2	107.5	108.3	109.3	109.8	112.4	114.2	115.5	113.1	113.3	110.5
1989	114.2	116.3	118.7	121.5	123.2	124.1	126.0	124.6	124.4	123.2	119.2	121.1	121.4
1990	123.9	124.2	124.6	123.4	123.6	122.7	123.9						

1/ Liveweight. 2/ Wholesale, ready-to-cook. 3/ Other poultry CPI.

Figure 7

Wholesale Turkey Prices



Hens, Eastern region.

tries, led by Hong Kong, are up nearly 40 percent, as these countries increase turkey consumption from very low levels.

Continued but Slower Growth In 1991

Low returns estimated for turkey this year are expected to result in about a 5 percent production increase in 1991. Consumption per capita should rise from about 18 to around 19 pounds. First quarter 1991 output is expected to rise about 8 percent over year earlier, as first-quarter production

increases relative to the others. Prices in 1991 are projected to average slightly above this year, given slower production gains. Eastern region hen prices are projected to average 54-60 cents per pound during the first quarter and 61-67 cents for all of 1991. Higher corn costs for much of next year's production will likely restrain improvement in 1991 net returns.

Turkey exports in 1991 are expected to be equal to and possibly exceed those of this year. Sales volume to most major buyers should continue at this year's rate, and possibly rise for Mexico and to the Pacific countries. The value of turkey exports is expected to continue increasing during 1991.

Eggs

Egg Production Increases Slowly

Total egg production January-June 1990 was up nearly 1 percent over last year, reflecting a 7 percent increase in hatching eggs, primarily broiler type, and essentially unchanged table egg production. For the year, table egg production will likely be about the same as a year ago, and total egg production will increase over 1 percent. While table egg production has generally increased since March, producers continue to be conservative in their expansion plans. The table-egg-type flock on July 1, at 225 million layers, was down a percent from the previous month and over 1 percent below year earlier levels. Egg-type chicks hatched, while up 7 percent for the first half of 1990, fell slightly in May and June from a year earlier, indicating a slowdown in flock expansion. However, the potential laying flock size in the third and fourth quarter is expected to be higher than a year ago, based on

Table 39--U.S. turkey exports to major importers

Country or area	January - May	
	1989	1990
	1000 lb.	
Mexico	4,080	3,729
Hong Kong	879	2,082
West Germany	199	2,073
Western Samoa	1,059	1,034
Canada	1,636	1,021
Japan	581	736
South Korea	166	532
Marshall Islands	372	473
Grenada	88	392
St. Vincent	198	333
Micronesia	687	261
Other	3,983	5,043
Grand Total	13,928	17,709

Table 41--Egg-type chick hatchery operations

Month	Hatch			Eggs in incubators 1/		
	1988	1989	1990	1988	1989	1990
	-----Thousands-----			-----Percent-----		
Jan.	29,274	26,655	32,048	-4	-20	28
Feb.	28,433	27,365	32,248	-24	2	23
Mar.	35,615	32,577	36,407	-17	-15	26
Apr.	34,749	36,133	37,207	-16	4	6
May	35,984	38,513	37,706	-17	3	3
June	33,049	34,708	34,499	-6	-2	-4
July	24,876	29,814		-24	16	-1
Aug.	27,838	32,817		-23	17	
Sept.	30,918	32,850		-5	3	
Oct.	31,007	33,298		-11	6	
Nov.	27,181	29,662		1	-4	
Dec.	27,311	29,284		-11	11	

1/ First of the month, percent change from previous year.

Table 40--Layers on farms and eggs produced, 1988-89 1/

Quar- ters	Number of layer		Eggs per layer		Eggs produced	
	1989	1990 2/	1989	1990 2/	1989	1990 2/
	- Million -		- Number -		Million dozen	
I	272	271	61.5	61.3	1,394.4	1,385.2
II	268	271	63.4	63.6	1,417.1	1,437.6
III	266		62.8		1,391.2	
IV	268		62.0		1,383.8	
Annual	269		249.7		5,586.5	

1/ Marketing year beginning December 1. 2/ Preliminary.

increases in the cumulative egg-type hatch 7-18 months earlier. This larger flock, coupled with an increased rate of lay compared with a year earlier will likely result in increased production in the second half. Third- and fourth-quarter table egg production estimates are each about 1 percent above year earlier levels.

Egg Prices Weaken

New York wholesale prices for grade A, large eggs are expected to average 73-76 cents per dozen in 1990, down

Figure 8

Wholesale Egg Prices

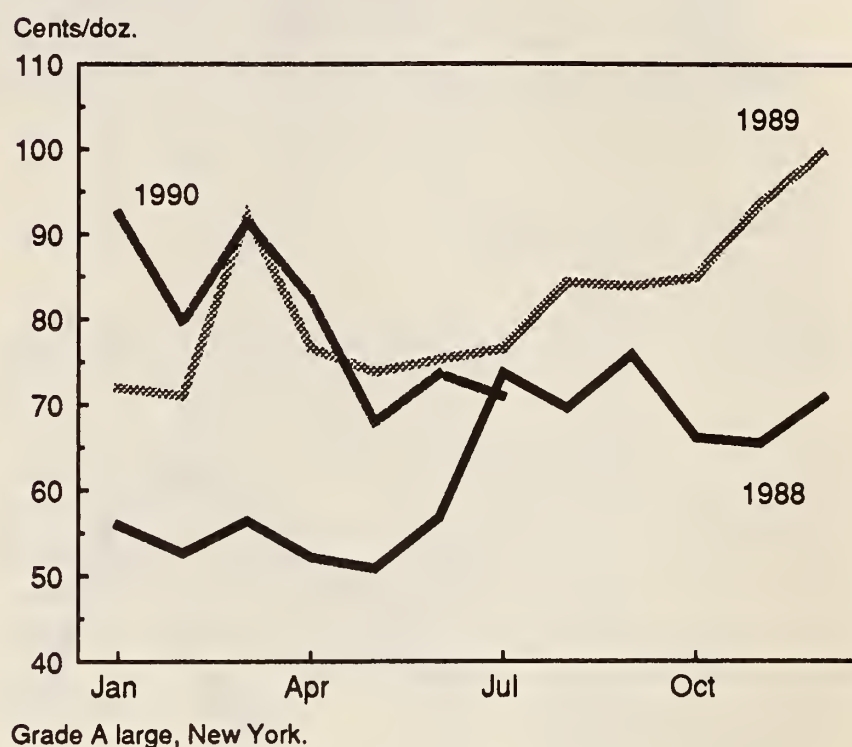


Table 42--Force Moltings and Light-type hen slaughter

Month	Force molt layers 1/						Light-type hens slaughtered under Federal inspection		
	Being molted			Molt completed					
	1988 2/	1989 2/	1990 3/	1988 2/	1989 2/	1990 3/	1988	1989	1990
	-----Percent-----						-----Thousands-----		
January	3.8	4.1	3.0	20.8	23.9	21.5	13,574	12,219	11,500
February	5.0	4.9	5.5	20.3	21.5	20.9	14,647	11,819	9,421
March	3.8	4.3	4.1	20.5	21.7	21.7	15,312	13,645	11,905
April	3.9	3.9	1.9	19.3	21.5	22.0	15,034	10,528	13,622
May	5.9	5.3	4.8	18.6	21.4	19.9	14,107	11,868	13,158
June	7.6	5.6	4.3	19.9	21.7	20.0	13,157	10,316	11,620
July	6.0	4.9	3.8	21.2	21.7	20.7	8,601	10,194	
August	4.3	4.0		22.4	22.7		10,555	10,871	
September	4.3	3.8		22.4	22.9		9,119	10,777	
October	4.5	4.3		22.3	22.9		10,136	10,459	
November	3.9	4.6		22.6	23.5		11,092	9,255	
December	3.5	2.7		24.1	23.9		13,444	11,307	

1/ Revisions include data from late reports or other corrections developed by the Food Safety and Inspection Service.
2/ Percent of hens and pullets of laying age in 15 selected States. 3/ Percent of hens and pullets of laying age in 20 selected States.

Table 43--Egg prices and price spreads

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
Cents/doz.													
Farm price 1/:													
1987	51.7	50.1	46.0	45.8	39.5	40.3	40.8	40.5	49.7	40.9	45.4	38.7	44.1
1988	39.1	36.9	40.0	35.8	33.0	36.3	49.5	50.1	56.0	50.6	51.7	53.2	44.4
1989	55.8	53.8	73.3	58.1	54.1	55.5	56.7	64.5	64.2	64.2	73.1	77.6	62.6
1990	78.8	63.1	73.1	64.2	51.2	54.2							
New York (cartoned) Grade A, large 2/:													
1987	67.1	65.2	62.0	62.4	55.6	58.7	59.1	63.2	68.3	60.2	60.5	56.9	61.6
1988	55.9	52.7	56.4	52.1	50.9	56.8	73.6	69.5	75.6	66.0	65.3	70.4	62.1
1989	72.0	71.0	92.2	76.6	73.7	75.2	76.5	84.2	83.8	84.8	93.4	99.6	82.0
1990	92.4	79.6	91.5	82.4	67.9	73.6	70.9						
4-Region average, Grade A, large retail price													
1987	86.2	82.3	80.0	78.6	76.3	71.1	76.3	73.0	83.7	77.8	80.5	73.1	78.3
1988	76.0	71.8	74.0	71.9	67.8	70.5	80.3	90.9	87.4	89.6	83.9	83.3	79.0
1989	94.1	89.0	103.1	99.7	95.6	93.7	96.1	98.3	103.8	102.3	108.0	113.7	99.8
1990	122.3	104.1	111.1	109.2	94.0	93.0	89.9						
Price spreads retail-to-consumer:													
1987	17.4	14.5	16.5	15.3	20.8	12.7	16.4	15.7	13.6	18.4	18.4	15.4	16.3
1988	19.0	18.2	14.9	20.0	16.5	13.0	7.0	20.5	11.2	22.0	16.0	10.1	15.7
1989	18.2	18.6	10.2	23.1	21.2	17.2	18.3	12.1	16.7	16.0	12.3	12.7	16.4
1990	26.7	22.1	16.8	24.3	24.0	17.2	16.9						
1982-84 = 100													
Consumer price index:													
1987	100.8	97.8	93.9	91.1	88.5	84.1	87.8	85.8	97.6	91.4	93.9	85.5	91.5
1988	90.1	85.5	87.9	85.0	81.8	83.6	95.1	104.2	103.1	105.5	101.2	99.6	93.6
1989	112.0	106.1	122.9	117.6	112.6	110.6	112.8	115.2	124.6	122.9	129.4	134.9	118.5
1990	143.9	124.7	131.6	130.3	115.0	112.2	109.1						

1/ Market (table eggs including eggs sold retail by the producer; data not available prior to 1982. 2/ Price to volume buyers.

Table 44--Shell eggs broken and egg products produced under Federal inspection

Period	Shell eggs broken	Egg products produced 1/		
		Liquid	Frozen	Dried
	Thousand dozen	Thousand pound		
1989:				
January	79,780	28,584	29,255	10,208
February	69,829	26,991	25,612	9,392
March	69,988	31,581	25,136	7,764
April	76,547	29,355	29,153	8,865
May	91,081	32,678	34,600	10,091
June	89,658	31,996	33,306	10,067
July	81,260	28,762	30,521	9,192
August	86,929	34,053	34,325	8,620
September	76,896	33,170	29,094	7,715
October	82,369	37,743	31,738	8,368
November	76,864	36,989	28,864	7,350
December	67,770	31,205	27,091	6,753
Jan-Dec.	948,971	383,107	358,695	104,385
1990:				
January	81,158	37,182	30,282	8,204
February	75,303	33,657	29,998	7,834
March	84,119	39,976	33,951	8,718
April	80,647	35,311	30,582	8,440
May	95,078	41,162	36,587	11,073
June	92,228	37,716	32,672	10,067

1/ Includes ingredients added. 2/ Liquid egg products produced for immediate consumption.

Table 45--U.S. egg exports to major importers 1/

Country or area	January - May	
	1989	1990
	Thousand dozen	
Canada	5,568	9,615
Japan	17,255	6,480
Hong Kong	3,387	4,710
Mexico	1,815	1,950
Jamaica	1,594	1,721
Iraq	2,316	1,114
Brazil	135	596
South Korea	12	507
Haiti	837	419
Surinam	330	392
Other	5,137	3,921
Grand Total	38,386	31,425

1/ Shell, and shell equivalent of egg products.

Average retail prices in the second half are expected to decline to the high-80 cents per dozen range, down from over \$1.00 last year. For the year, retail prices will likely average in the mid 90's, down from \$1.00 in 1989. Per capita egg consumption for the year is estimated at around 234 eggs, about one less than in 1989.

Lower Net Returns Expected

High wholesale egg prices, combined with lower feed costs earlier this year, resulted in first-half 1990 net returns averaging around 16 cents per dozen, well above 1989's first half and the highest since the 1984 record of nearly 20 cents per dozen. Net returns to cartoned egg production in the first and second quarters averaged about 24 cents and 9 cents per

from the 1989 record of 82 cents. Third- and fourth-quarter prices will reflect increased production, and are expected to be well below year earlier levels, at 66-70 cents and 64-70 cents per dozen. Summer prices have been generally below a year ago, although a slowdown in supplies pushed prices above year-earlier levels in late July and early August.

dozen, respectively. However, lower returns and possible losses are expected during the second half, given the forecast of lower egg prices and higher feed costs compared with the first half. Growth Expected in 1991

Total egg production in 1991 is expected to increase about 1 percent. Hatching egg production will increase 5-6 percent due mainly to the expected expansion in the broiler

industry. Table egg production will increase fractionally as producers slowly expand the flock early in the year and invest in new or renovated facilities. Per capita consumption is expected to be around 233 eggs, down from 234 in 1990. Egg producers can expect slightly higher feed costs in 1991, reflecting higher corn prices. Wholesale prices for New York Grade A large eggs are expected to average lower for the year, around 66-72 cents per dozen.

Revised Choice Beef Price and Spread Calculation Procedures

Lawrence A. Duewer and T. Fred White*

Abstract: Changes in the beef cutting location, merchandizing methods, and data availability prompted revision of the Choice beef price and spread series calculation procedures. Major changes included replacing carcass value with boxed beef, at the wholesale level, and moving from a partially bone-in to a mostly boneless product, at the retail level. A change in the method for valuing beef trimmings as an ingredient in making ground beef also affects conversion factors, prices, and spreads.

Keywords: Beef, Choice beef prices, price spreads, livestock-meat, market performance

The beef marketing channel has continued to change in recent years, but procedures for calculating Choice beef prices and spreads have not been updated since 1978. In order to reflect recent changes in data and industry practices, ERS has revised the methodology for calculating Choice retail, wholesale, and live beef values and the resulting spread. Data series that have become available in recent years have facilitated making these revisions so that the beef marketing system is reflected more accurately. The Bureau of Labor Statistics made additional cut prices available early in 1989 and the Agricultural Marketing Service updated their boxed beef cutout value procedures January 1, 1990.

An explanation of why the Choice beef price spread procedures needed to be revised, how they were revised, and what the results indicate are addressed in this article.^{1/}

Reasons for Change

Beef carcasses are now cut (divided) into smaller primal and subprimal pieces earlier in the marketing channel. Packers

now fabricate and sell more beef in boxed form than as carcasses. The boxed product is becoming more differentiated and available in smaller subprimal cuts. Some retailers are buying subprimals rather than primals and are wanting more boneless and closer trimmed wholesale cuts. Retailers also are selling beef trimmed almost completely of exterior fat and with most bone removed. The trend now is to sell ground beef with a higher lean percentage. Also, retailers now buy more beef direct from packers for their own distribution to local stores. The availability of data series have changed over time as marketing and merchandising practices have changed.

Description of Spreads

Price spreads are differences between values at selected levels within the market channel. Three price levels in the beef marketing channel are calculated: 1) live animal price paid by the packer to the producer; 2) wholesale beef price paid by the wholesaler or retailer to the packer; and 3) retail beef price paid by the consumer to the grocer. Each of these prices are adjusted to a value which represents an equivalent amount of beef product at each level.

The standard is one pound of Choice beef purchased or sold at retail. This includes an adjustment at the producer level to remove the value contributed by-products. Spreads are calculated as the differences between these values. They do not represent margins, profits, or losses for individual firms or for groups of firms. What they provide is a perspective, over

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^{1/} A more detailed explanation of these changes is in progress and will be released as an ERS staff report. To obtain a copy, call (202) 786-1712 or write to Lawrence A. Duewer, USDA/ERS/CED, Room 836-B, 1301 New York Ave., NW, Washington, D.C., 20005-4788

Table A-1--Revised calculation of retail Choice beef price, December 1989

Retail cut	Retail weight	Price description	Retail cut price	Retail contribution
	Percent		Cents per pound	
Chuck roast	15.25640	BLS published price	243.2	37.104
Chuck steak	4.13575	estimated from BLS published price for chuck roast	$(243.2 \times (97.43\%)) + 40.9 = 277.8$	11.489
Loin steak	5.64195	estimated from BLS published price for T-bone steak	$504.1 / (76\%) = 663.3$	37.423
Loin roast	0.67398	estimated from loin steak price	$(663.3 - 40.9) / (97.43\%) = 638.8$	4.305
Round roast	8.79418	BLS published price	278.4	24.483
Round steak	12.02933	BLS published price	316.8	38.109
Sirloin steak	8.58200	BLS published price	379.4	32.560
Sirloin roast	0.21199	estimated from BLS published price for sirloin steak	$(379.4 - 40.9) / (97.43\%) = 347.4$	0.736
Ribeye steak	2.43151	BLS published price	602.8	14.657
Ribeye roast	2.40954	estimated from BLS published price for ribeye steak	$(602.8 - 40.9) / (97.43\%) = 576.7$	13.896
Stew meat	3.07621	BLS published price	242.9	7.472
Ground beef, regular	7.16258	BLS published price	150.1	10.751
Ground beef, extra lean	6.69281	BLS published price	203.9	13.647
50/50 trimmings	20.17754	Wholesale ingredient price ratio, BLS published price for ground beef, conversion for the salable yield of manufactured ground beef	$(22.73\%)(150.1)(2.35) = 80.2$	16.182
Short ribs	2.72420	BLS published price	240.6	6.554
Salable total	99.99997			269.368

Table A-2--Beef conversion factors

Market levels	Conversion factor to next level	Pounds to yield one pound of		
		Retail beef	Boxed beef	Carcass beef
One pound of retail beef	1.000	1.000		
Retail cuts 1/	1.031	1.031		
Wholesale boxed beef	1.108	1.142	1.000	
Carcass	1.325	1.513	1.325	1.000
Live animal	1.587	2.402	2.103	1.587

1/ The quantity of retail cuts before the allowance of a 3 percent retail shrink (loss due to spoilage, rewraps, conversion to other cuts, and pilferage).

spreads. There are four major changes that affect the new procedures: Moving from eight to five markets at the live level, converting from carcass to boxed beef at the wholesale level, removing more bone and fat, and changing the way trimmings are valued at retail.

Slaughter Cattle Prices Changed to Direct Markets

The trend toward more slaughter cattle sold directly to packers rather than through terminal markets continues. Since 1989, U.S. Department of Agriculture's Agricultural Marketing Service (AMS) has reported a new price series. It is a receipts weighted-average price for five direct live-cattle markets: Texas-Oklahoma Panhandle, Kansas, Colorado, Eastern Nebraska, and Iowa-Southern Minnesota.

AMS provides price series for both steer and heifer sales. The AMS price for 65-80 percent Choice slaughter steers sold on a liveweight basis is used. This price represents the greatest volume of slaughter cattle marketed. This market receipt-weighted average live-steer price replaces the "Eight Market Average" price, which included four terminal and

time, on differences in prices at various levels of the marketing and distribution system.

Determination of the farm, wholesale, and retail prices, as well as price adjustments, needed to obtain a retail weight-equivalent product provides the data for calculating price

four direct markets. The previous price was a simple average and did not reflect volume differences between direct and terminal markets.

Wholesale Beef Prices Changed to Boxed Beef

Most beef now leaves the packing plant in boxes rather than as carcasses. AMS has discontinued the Choice steer and heifer carcass price series. And in early 1990 revised their methodology for calculating wholesale boxed beef values. The new values are weighted with the daily trading volume of wholesale cuts.

The revised price spread procedure is based on AMS' Choice 1-3, 500-700 pound boxed beef cutout value. The cutout value is based on the weighted average of seven composite prices (one price for each primal: chuck, rib, loin, round, brisket, navel, and flank). The boxed beef value is adjusted for the wholesale fabrication by-products—fat, bone, and kidney—not sold at retail. This percentage adjustment is based upon yields of bone (11.87), fat (9.67), and kidney (0.18) from a carcass (the remaining 77.92 percent after allowance for 0.36 percent shrink, is boxed beef).

The boxed beef value also is adjusted by a transportation differential that reflects both average distances and rates for hauling beef. This reflects the average cost of moving meat from production to consumption areas (currently \$3.49 per hundredweight of wholesale beef).

Retail Price Weighted With Carcass Proportions

The revised retail price of Choice beef reflects the value of all retail cuts in a carcass, weighted according to the amounts in a carcass. For many years the Bureau of Labor Statistics (BLS) has published prices of several beef cuts. Since 1989, BLS has provided additional beef cut prices (mostly boneless) for our revised procedure.

In addition, five cuts are estimated by ERS to use in calculating the revised composite Choice beef price. These estimations are based on steak versus roast and bone-in versus boneless relationships. Estimated cuts will be replaced when additional official data becomes available.

The revised procedure weights 14 cut prices and 50/50 trim value ^{2/} to represent all the various retail cuts from a carcass (table 1). A carcass is broken down to primals and sub-primals, and eventually retail cuts, to determine the proper weighting to use.

The revised procedure determines the value of 50/50 trim when mixed with lean trim to make ground beef. Previously, a mathematical adjustment was made to remove fat

from trimmings until the fat content was low enough for the trimmings to be sold as ground beef. The revised method values the total pounds of 50/50 trim in ground beef without a weight adjustment. Its value as an ingredient is lower than the ground beef price.

Conversion Factors for a Pound of Retail Beef

As mentioned earlier, the basis for comparison at each level is the value of the equivalent of one pound of beef sold at retail. Prices must be adjusted to allow for shrink and by-product removal. Estimates of yields are as follows: 1) The live to carcass weight dressing percentage is 63 percent; 2) the carcass to boxed cutout is 75.5 percent (77.92 percent boxed beef minus 2.445 percent bone); 3) the boxed beef cutout to retail weight is 90.25 percent; and 4) the salable yield from retail cuts is 97 percent (3 percent for spoilage, rewraps, conversion to other cuts, and pilferage losses). These factors are based on boneless cuts (except for short and back ribs) and outside fat trims of one-fourth inch or less. The conversion factors, given in table 2, are in the inverse of these yields.

The previous conversion factor for live-to-retail was also 2.40, but the live-to-wholesale and wholesale-to-retail conversion factors have changed. The wholesale product went from a carcass to a boxed beef value, which means the packer now removes more fat and bone.

By-Products Credits Changed

While determining conversion factors, the concern was to obtain the equivalent of one pound of retail beef at the wholesale and farm levels. The portion not retail beef was by-products or waste products. The price paid for the live animal is influenced by the value of by-products. As a result, this value needs to be subtracted from the live price to reflect the farm value of one pound of retail beef.

The farm-to-wholesale by-product value includes those obtained both when an animal is slaughtered and when the carcass is converted to boxed beef. AMS's "Hide and Offal" value is used for valuing by-products from slaughter. By combining the hide and offal value and the fat, bone, and kidney by-product value, the total value of the by-products from live animal to boxed beef is determined. This is obtained as a ratio of total by-product value to the sum of total by-product value and meat value. This percentage applied to the live price (or gross farm value) provides the amount of by-product value from a live animal.

A wholesale-to-retail by-product value is not calculated in the revised procedure. Since much of the fat and bone is obtained in the breaking of the carcass to boxed beef, the value of the by-products obtained in the revised procedure beyond the boxed beef level is quite small. The previous method calculated both a farm-to-carcass and a carcass-to-retail by-product value.

^{2/} Refers to trim with approximately 50 percent lean and 50 percent fat as determined by chemical assay procedures.

Results

Quarterly retail Choice beef values and spreads for the revised and previous procedures are presented in table 3. The net farm and wholesale values for the revised series are higher than for the previous series, while the revised retail price series is lower. This means the farm-to-retail price spread is narrower in the revised series.

The shift from carcass to boxed beef resulted in increased wholesale values because boxed beef requires more processing than hanging carcasses. Decreased retail prices indicate that the new method for determining the value of 50/50 lean trimmings decreased the average retail price more than it increased from using more boneless and closely trimmed cuts. The larger variation in retail prices from month to month results partially from fluctuations in the price for trimmings. Changes in retail trim and in pricing 50/50 trimmings each affected the composite retail price by more than 25 cents per pound, but in opposite directions.

Though the retail price is lower than with the previous procedure, a substantial increase has occurred due to selling more boneless and closely trimmed cuts. The price reducing effect of handling 50/50 beef trimmings as an input for ground beef offset the higher price. In addition to the new procedures, ground beef sales have increased, relative to beef cuts.

Month-to-month movements for the retail price series are different for some periods when comparing the revised and pre-

vious series. This is due to a change in the weights (more weight given to ground beef products and less to table cuts) and the BLS prices used for retail price calculation (more boneless products valued at higher prices because of less fat trim).

The differences between the revised and the previous farm-to-wholesale and wholesale-to-retail spreads are mainly because the wholesale value basis has been changed from carcass to boxed beef. Table 4 provides adjustments back through 1970 to match the revised series. These series have been provided for those who want the series linked and will accept the inherent assumptions.

Summary and Conclusions

Many changes in meat merchandizing, data availability, and structural and marketing practices have occurred since Choice beef prices and spread calculation procedures were revised in 1978. New revisions in price and spread calculation procedures were needed to reflect changes in the beef industry.

Major changes include replacing the carcass value with a boxed beef value at wholesale and moving from a partially bone-in to a mostly boneless retail product. The method for valuing beef trimmings also was changed. The eight market (four terminal and four direct markets) average live-steer price was replaced with a new weighted five-region direct market price series. Additional retail cut price information provided by BLS was included in the retail price

Table A-3--Comparison of revised and previous prices and price spreads for Choice retail beef

Item	1989					1990	
	I	II	III	IV	Year	I	II
Cents per pound							
Choice retail price							
Revised	260.7	267.0	268.0	266.9	265.7	272.6	281.2
Previous	266.3	269.9	270.7	272.7	269.9	281.4	287.0
Difference	-5.6	-2.9	-2.7	-5.8	-4.2	-8.8	-5.8
Wholesale value							
Revised	177.3	180.4	172.5	176.8	176.8	186.9	189.8
Previous	162.7	165.2	154.8	159.8	160.6	168.6	169.5
Difference	+14.6	+15.2	+17.7	+17.0	+16.2	+18.3	+20.3
Net farm value							
Revised	159.9	160.2	151.2	158.9	157.6	168.0	167.3
Previous	159.1	159.2	148.8	154.5	155.4	164.6	164.9
Difference	+0.8	+1.0	+2.4	+4.4	+2.2	+3.4	+2.4
Price spreads:							
Farm-to-retail							
Revised	100.8	106.8	116.8	108.0	108.1	104.6	113.9
Previous	107.2	110.7	121.9	118.2	114.5	116.8	122.1
Difference	-6.4	-3.9	-5.1	-10.2	-6.4	-12.2	-8.2
Farm-to-wholesale							
Revised	17.4	20.2	21.3	17.9	19.2	18.9	22.5
Previous	3.6	6.0	6.0	5.3	5.2	4.0	4.6
Difference	+13.8	+14.2	+15.3	+12.6	+14.0	+14.9	+17.9
Wholesale-to-retail							
Revised	83.4	86.6	95.5	90.1	88.9	85.7	91.4
Previous	103.6	104.7	115.9	112.9	109.3	112.8	117.5
Difference	-20.2	-18.1	-20.4	-22.8	-20.4	-27.1	-26.1

Table A-4--Estimated historical series for Beef, Choice Yield Grade 3: Retail, carcass, and farm values, spreads, and farmer's share 1/

Year	Retail price 2/	Wholesale value 3/	Gross farm value 4/	By-product allow- ance 5/	Net farm value 6/	Farm retail-spread			Farmers' Share 7/
						Total	Wholesale-retail	Farm wholesale	
-----Cents per pound-----									Percent
1970	99.9	76.8	70.2	6.0	64.2	35.7	23.1	12.6	64.0
1971	106.2	85.2	76.7	6.0	70.7	35.5	21.0	14.5	67.0
1972	116.6	90.3	85.0	9.0	76.0	40.6	26.3	14.3	65.0
1973	139.7	110.8	106.8	12.1	94.7	45.0	28.9	16.1	68.0
1974	143.8	110.1	101.5	9.7	91.8	52.0	33.7	18.3	64.0
1975	152.2	119.2	108.6	9.2	99.4	52.8	33.0	19.8	65.0
1976	145.7	100.7	94.4	10.0	84.4	61.3	45.0	16.3	58.0
1977	145.8	103.2	97.3	11.3	86.0	59.8	42.6	17.2	59.0
1978	178.8	131.4	126.1	14.4	111.7	67.1	47.4	19.7	62.0
1979	222.4	165.7	163.4	21.7	141.7	80.7	56.7	24.0	64.0
1980	233.6	171.1	161.9	16.2	145.7	87.9	62.5	25.4	62.0
1981	234.7	164.4	154.5	15.4	139.1	95.6	70.3	25.3	59.0
1982	238.4	165.9	155.5	14.4	141.1	97.3	72.5	24.8	59.0
1983	234.1	160.1	151.8	15.0	136.8	97.3	74.0	23.3	58.0
1984	235.5	162.5	158.6	17.9	140.7	94.8	73.0	21.8	60.0
1985	228.6	148.8	142.2	14.8	127.4	101.2	79.8	21.4	56.0
1986	226.8	146.5	140.0	15.0	125.0	101.8	80.3	21.5	55.0
1987	238.4	160.0	157.6	18.9	138.7	99.7	78.4	21.3	58.0
1988	250.3	169.4	169.4	21.1	148.3	102.0	80.9	21.1	59.0
1989 8/	265.7	176.8	177.6	20.0	157.6	108.1	88.9	19.2	59.0

1/ Series revised August 1990. 2/ Estimated weighted-average of BLS prices of retail cuts from Choice Yield Grade 3 carcass. 3/ Value of wholesale quantity equivalent to 1 lb of retail cuts. A wholesale equivalent of 1.142 is used. 4/ Market value to producer for 2.4 lb of live animal, equivalent to 1 lb of retail cuts. 5/ Portion of gross farm value attributed to edible and inedible by-products. 6/ Gross farm value minus farm by-product allowance. 7/ Percent net farm value is of retail price. 8/ 1989 data were computed using the revised procedure, earlier data are the previously published data adjusted to match the revised series.

calculations. The dressing percentage used and retail-cut price-weighting procedure were also revised.

This procedure results in larger wholesale values and smaller retail prices, both of which reflect a different product (boxed beef versus carcass and partially bone-in versus mostly bone

less retail cuts with 50/50 trimmings handled as an ingredient into ground beef) compared to the previous calculation procedure. The move to boneless cuts resulted in an increase in the retail price. However, the change in the way beef trim is valued decreased the price more than the counter-effect of using boneless cuts.

Table 46--Average Bureau of Labor Statistics (BLS) retail price per pound of specified meat cuts

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Dollars												
Choice Beef:												
Ground chuck												
1988	1.74	1.74	1.75	1.74	1.74	1.77	1.75	1.74	1.77	1.78	1.81	1.79
1989	1.81	1.80	1.85	1.82	1.82	1.80	1.81	1.82	1.82	1.84	1.87	1.88
1990	1.91	1.95	1.94	1.97	1.97	1.97	1.95					
Ground beef												
1988	1.31	1.32	1.34	1.34	1.36	1.39	1.37	1.37	1.37	1.39	1.41	1.40
1989	1.40	1.37	1.43	1.42	1.44	1.44	1.44	1.45	1.46	1.45	1.49	1.50
1990	1.56	1.57	1.57	1.59	1.58	1.59	1.58					
Chuck roast, bone in												
1988	1.64	1.74	1.69	1.72	1.80	1.78	1.70	1.67	1.74	1.74	1.74	1.80
1989	1.81	1.91	1.87	1.89	1.90	1.86	1.86	1.78	1.88	1.89	1.92	2.00
1990	2.03	2.12	2.05	2.10	2.12	2.07	2.07					
Round roast, boneless												
1988	2.56	2.61	2.67	2.60	2.61	2.66	2.63	2.64	2.64	2.60	2.68	2.68
1989	2.75	2.75	2.76	2.77	2.78	2.73	2.73	2.71	2.78	2.78	2.77	2.78
1990	2.91	2.89	2.93	2.92	2.95	2.92	2.92					
Rib roast, bone in												
1988	3.57	3.59	3.66	3.75	3.72	3.93	4.02	4.04	4.12	4.12	4.10	4.03
1989	4.11	4.04	4.06	4.16	4.24	4.06	4.34	4.29	4.19	4.17	4.19	4.21
1990	4.29	4.29	4.37	4.33	4.44	4.54	4.62					
Round steak, boneless												
1988	2.88	2.94	2.94	3.01	3.00	3.05	2.99	2.99	3.04	2.98	3.00	3.01
1989	3.07	3.09	3.12	3.14	3.10	3.06	3.11	3.12	3.10	3.12	3.18	3.17
1990	3.30	3.31	3.27	3.29	3.32	3.34	3.29					
Sirloin steak, bone in												
1988	2.99	3.04	3.12	3.18	3.35	3.49	3.54	3.39	3.45	3.30	3.36	3.23
1989	3.39	3.40	3.61	3.57	3.70	3.67	3.70	3.66	3.62	3.55	3.57	3.46
1990	3.58	3.55	3.52	3.80	3.61	3.78	3.73					
Chuck steak, bone in 1/												
1988	1.61	1.62	1.64	1.65	1.67	1.71	1.70	1.69	1.70	1.70	1.72	1.71
1989	1.74	1.74	1.78	1.78	1.79	1.78	1.79	1.79	1.80	1.80	1.81	1.83
1990	1.86	1.89	1.89	1.91	1.92	1.93	1.93					
T-Bone steak, bone in												
1988	4.31	4.27	4.33	4.43	4.54	4.90	5.18	5.20	4.86	4.84	4.83	4.97
1989	4.95	4.91	5.05	5.04	5.14	5.16	5.22	5.10	5.15	5.08	4.99	5.04
1990	5.11	4.56	4.71	4.78	4.96	5.01	4.99					
Porterhouse steak, bone in 1/												
1988	4.40	4.43	4.48	4.51	4.56	4.66	4.63	4.60	4.64	4.64	4.68	4.68
1989	4.74	4.76	4.86	4.86	4.89	4.87	4.88	4.89	4.90	4.90	4.96	4.99
1990	5.09	5.16	5.17	5.23	5.25	5.27	5.28					
Pork:												
Bacon, sliced												
1988	1.95	1.94	1.92	1.91	1.90	1.90	1.91	1.88	1.84	1.86	1.80	1.79
1989	1.80	1.80	1.79	1.75	1.68	1.69	1.71	1.72	1.72	1.77	1.82	1.96
1990	1.97	2.01	1.99	1.98	2.04	2.15	2.21					
Chops, center cut												
1988	2.66	2.72	2.68	2.71	2.78	2.93	2.90	2.87	2.90	2.77	2.67	2.65
1989	2.78	2.75	2.80	2.80	2.76	2.82	2.91	2.92	2.95	2.89	2.97	2.85
1990	3.02	2.96	3.01	3.16	3.20	3.44	3.47					
Ham, rump or shank half 1/												
1988	1.63	1.57	1.60	1.58	1.58	1.62	1.62	1.62	1.61	1.59	1.56	1.55
1989	1.58	1.57	1.57	1.58	1.56	1.58	1.61	1.63	1.62	1.63	1.66	1.66
1990	1.70	1.70	1.72	1.72	1.78	1.88	1.91					
Sirloin roast, bone in 1/												
1988	1.92	1.90	1.90	1.88	1.89	1.94	1.93	1.93	1.92	1.89	1.86	1.85
1989	1.88	1.88	1.88	1.88	1.86	1.89	1.92	1.94	1.93	1.94	1.97	1.98
1990	2.02	2.02	2.04	2.06	2.12	2.25	2.28					
Shoulder picnic, bone in												
1988	1.14	1.13	1.14	1.12	1.09	1.15	1.13	1.11	1.11	1.10	1.12	1.10
1989	1.12	1.06	1.06	1.08	1.07	1.08	1.09	1.10	1.10	1.10	1.12	1.17
1990	1.14	1.18	1.18	1.21	1.24	1.28	1.30					
Sausage, fresh, loose												
1988	2.05	1.97	1.99	2.02	2.02	1.95	1.99	1.94	1.95	1.90	1.89	1.92
1989	1.92	1.94	1.92	1.93	1.94	1.93	1.99	2.04	2.02	2.10	2.11	2.12
1990	2.12	2.20	2.16	2.21	2.29	2.41	2.49					
Miscellaneous cuts:												
Ham, canned, 3 or 5 lb												
1988	2.77	2.75	2.71	2.73	2.74	2.73	2.77	2.73	2.74	2.74	2.69	2.60
1989	2.75	2.71	2.63	2.70	2.64	2.68	2.66	2.65	2.70	2.68	2.61	2.62
1990	2.72	2.77	2.75	2.68	2.77	2.84	2.84					
Frankfurters, all meat												
1988	2.02	2.04	2.05	2.01	2.02	2.02	2.01	2.02	2.00	2.02	2.03	2.04
1989	2.08	2.07	2.07	2.03	2.05	2.02	2.01	2.09	2.09	2.04	2.10	2.11
1990	2.16	2.22	2.23	2.19	2.18	2.31	2.31					
Bologna												
1988	2.24	2.23	2.23	2.20	2.18	2.24	2.26	2.29	2.25	2.27	2.28	2.24
1989	2.22	2.24	2.23	2.24	2.23	2.24	2.24	2.27	2.34	2.38	2.37	2.40
1990	2.42	2.44	2.45	2.47	2.47	2.54	2.52					

1/ ERS estimate from BLS index and historical data.

Table 47--Red meat supply and utilization, carcass and retail weight 1/

Year	Production		Begin- ning stocks	Im- ports	Total supply	Ex- ports	Ending stocks	Total disap- pearance	Per capita	
	Commer- cial	Farm							Carcass weight	Retail weight
-----Million pounds-----									-----Pounds-----	
Beef:										
1988	23,424	165	386	2,379	26,354	680	422	25,252	102.5	72.3
1989										
I	5,530	40	422	566	6,558	212	398	5,948	24.0	16.9
II	5,777	17	398	533	6,725	271	322	6,132	24.7	17.4
III	5,893	16	322	524	6,755	284	307	6,164	24.8	17.5
IV	5,774	40	307	532	6,673	295	335	6,043	24.2	17.1
Year	22,974	113	422	2,175	25,684	1,062	335	24,287	97.7	68.9
1990										
I	5,507	40	335	596	6,478	232	408	5,838	23.3	16.4
II	5,733	17	408	550	6,708	245	342	6,121	24.4	17.2
Year 2/	22,690	113	335	2,156	25,294	1,120	325	23,849	95.0	67.0
1991										
Year 2/	22,975	113	325	2,200	25,613	1,210	315	24,088	95.2	67.1
Pork:										
1988	15,623	61	347	1,137	17,168	195	414	16,559	67.2	63.5
1989										
I	3,885	19	414	251	4,569	55	468	4,047	16.3	15.5
II	3,929	8	468	247	4,652	67	459	4,126	16.6	15.8
III	3,790	8	459	198	4,455	66	337	4,052	16.3	15.4
IV	4,155	19	337	200	4,711	80	285	4,346	17.4	16.5
Year	15,759	54	414	896	17,123	268	285	16,570	66.6	63.2
1990										
I	3,902	19	285	212	4,418	69	333	4,016	16.0	15.2
II	3,645	8	333	230	4,216	65	341	3,810	15.2	14.4
Year 2/	15,347	54	285	912	16,598	259	375	15,964	63.6	60.3
1991										
Year 2/	15,850	54	375	975	17,254	260	375	16,619	65.7	62.3
Veal:										
1988	387	9	4	27	427	10	5	412	1.7	1.4
1989										
I	91	4	5	0 3/	100	0	7	93	0.4	0.3
II	85	1	7	0	93	0	6	87	0.4	0.3
III	84	2	6	0	92	0	5	87	0.3	0.3
IV	84	4	5	0	93	0	4	89	0.4	0.3
Year	344	11	5	0	360	0	4	356	1.4	1.2
1990										
I	79	4	4	0	87	0	4	83	0.3	0.3
II	74	1	4	0	79	0	5	74	0.3	0.2
Year 2/	301	9	4	0	314	0	4	310	1.2	1.0
1991										
Year 2/	280	9	4	0	293	0	4	289	1.1	0.9
Lamb and Mutton:										
1988	329	6	8	51	394	1	6	387	1.6	1.4
1989										
I	88	2	6	16	112	1	7	104	0.4	0.4
II	80	1	7	16	104	0	8	96	0.4	0.3
III	81	1	8	15	105	1	7	97	0.4	0.3
IV	92	2	7	16	117	0	8	109	0.4	0.4
Year	341	6	6	63	416	2	8	406	1.6	1.5
1990										
I	93	2	8	12	115	1	8	106	0.4	0.4
II	90	1	8	12	111	0	10	101	0.4	0.4
Year 2/	363	6	8	50	427	2	8	417	1.7	1.5
1991										
Year 2/	363	6	8	55	432	2	7	423	1.7	1.5
Total red meat:										
1988	39,763	241	745	3,594	44,343	886	847	42,610	173.0	138.6
1989										
I	9,594	65	847	833	11,339	268	880	10,192	41.1	33.1
II	9,871	27	880	796	11,574	338	795	10,441	42.0	33.8
III	9,848	27	795	737	11,407	351	656	10,400	41.8	33.5
IV	10,105	65	656	768	11,594	375	632	10,587	42.4	34.3
Year	39,418	184	847	3,134	43,583	1,332	632	41,619	167.4	134.7
1990										
I	9,581	65	632	820	11,098	302	753	10,043	40.1	32.3
II	9,542	27	753	792	11,114	310	698	10,106	40.3	32.2
Year 2/	38,701	182	632	3,118	42,633	1,381	712	40,540	161.6	129.8
1991										
Year 2/	39,468	182	712	3,230	43,592	1,472	701	41,419	163.7	131.8

1/ May not add due to rounding. 2/ Forecast. 3/ Beginning in 1989 veal trade no longer reported separately.

Table 48--Poultry supply and utilization

Year	Slaughter			Begin- ning stocks	Total supply	Ex- ports	Ending stocks	Total disap- pearance	Per capita Retail weight
	Feder- ally Inspected	Other	Total						
	- - - - - Million pounds - - - - -								
Pounds									
Young chicken:									
1988									
I	3,996	20	4,016	25	4,041	163	36	3,842	15.7
II	4,079	21	4,100	36	4,136	190	41	3,904	15.9
III	4,035	6	4,041	41	4,082	198	32	3,852	15.6
IV	4,015	15	4,030	32	4,062	214	36	3,811	15.4
Year	16,124	62	16,187	25	16,212	765	36	15,410	62.5
1989									
I	4,129	21	4,150	36	4,186	185	32	3,969	16.0
II	4,389	24	4,413	32	4,445	218	34	4,192	16.9
III	4,395	25	4,420	34	4,455	202	36	4,217	16.9
IV	4,420	25	4,445	36	4,481	254	38	4,189	16.8
Year	17,334	94	17,428	36	17,464	859	38	16,567	66.6
1990									
I	4,495	26	4,521	38	4,559	277	31	4,250	17.0
II 2/	4,700	26	4,726	31	4,757	290	30	4,437	17.7
Year 3/	18,525	102	18,627	38	18,665	1,087	30	17,548	69.9
Other chicken:									
1988									
I	153	26	179	188	368	6	197	165	0.7
II	150	26	175	197	372	4	161	207	0.8
III	112	19	131	161	292	7	147	138	0.6
IV	125	21	147	147	294	8	157	129	0.5
Year	540	92	633	188	821	26	157	639	2.6
1989									
I	137	12	148	157	305	5	146	153	0.6
II	135	12	147	146	293	5	158	131	0.5
III	132	11	143	158	301	6	155	139	0.6
IV	126	11	136	155	292	8	189	95	0.4
Year	530	45	575	157	731	24	189	518	2.1
1990									
I	133	11	145	189	334	8	219	106	0.4
II 2/	150	13	163	219	382	7	227	148	0.6
Year 3/	543	46	590	189	779	28	180	571	2.3
Total chicken:									
1988									
I	4,149	46	4,195	213	4,408	169	232	4,007	16.3
II	4,229	47	4,275	232	4,508	194	202	4,112	16.7
III	4,147	25	4,172	202	4,374	205	180	3,990	16.2
IV	4,140	36	4,176	180	4,356	223	192	3,940	15.9
Year	16,665	155	16,819	213	17,032	791	192	16,049	65.2
1989									
I	4,266	33	4,299	192	4,491	190	179	4,122	16.6
II	4,524	35	4,559	179	4,738	223	192	4,323	17.4
III	4,527	36	4,563	192	4,756	208	191	4,356	17.5
IV	4,546	35	4,581	191	4,773	262	228	4,283	17.2
Year	17,864	139	18,003	192	18,195	883	228	17,085	68.7
1990									
I	4,628	37	4,665	227	4,893	285	251	4,357	17.4
II 2/	4,850	39	4,889	250	5,139	297	257	4,585	18.3
Year 3/	19,068	148	19,217	227	19,444	1,115	210	18,119	72.2
Turkey:									
1988									
I	837	8	844	266	1,111	13	339	759	3.1
II	981	2	983	339	1,322	11	457	854	3.5
III	1,066	16	1,082	457	1,539	15	573	951	3.9
IV	1,040	10	1,050	573	1,623	11	250	1,362	5.5
Year	3,923	37	3,960	266	4,226	51	250	3,926	15.9
1989									
I	804	17	820	250	1,070	8	269	793	3.2
II	1,014	25	1,039	269	1,308	10	455	844	3.4
III	1,176	30	1,206	455	1,661	12	569	1,080	4.3
IV	1,181	30	1,211	569	1,780	11	236	1,534	6.1
Year	4,175	101	4,276	250	4,526	40	236	4,250	17.1
1990									
I	983	23	1,007	236	1,243	11	319	912	3.6
II 2/	1,100	27	1,127	319	1,446	10	483	953	3.8
Year 3/	4,543	110	4,653	236	4,889	45	260	4,584	18.3
Total poultry:									
1988									
I	4,986	54	5,040	479	5,519	182	571	4,765	19.4
II	5,210	49	5,259	571	5,830	206	659	4,966	20.2
III	5,212	42	5,254	659	5,913	220	752	4,941	20.0
IV	5,180	47	5,227	752	5,979	234	442	5,303	21.4
Year	20,588	192	20,780	479	21,259	842	442	19,975	81.1
1989									
I	5,070	49	5,119	442	5,561	198	448	4,915	19.8
II	5,538	60	5,599	448	6,047	233	647	5,167	20.8
III	5,704	66	5,770	647	6,416	220	760	5,436	21.8
IV	5,727	66	5,792	760	6,553	272	463	5,817	23.3
Year	22,039	241	22,280	442	22,722	923	463	21,335	85.8
1990									
I	5,611	60	5,672	463	6,135	297	570	5,269	21.1
II 2/	5,950	65	6,015	570	6,585	307	740	5,538	22.1
Year 3/	23,611	258	23,870	463	24,333	1,161	470	22,702	90.5

1/ May not add due to rounding. 2/ Estimate. 3/ Forecast.

Table 49--Total red meat and poultry supply and utilization, carcass and retail weight 1/

Year	Total produc- tion	Begin- ning stocks	Im- ports	Total supply	Ex- ports	Ending stocks	Total disap- pearance	Per capita	
								Carcass weight	Retail weight
-----Million pounds-----								-----Pounds-----	
Total red meat and poultry:									
1988									
I	14,798	1,224	1,041	17,062	343	1,421	15,298	62.3	53.7
II	14,978	1,421	974	17,373	423	1,443	15,508	63.0	54.4
III	15,427	1,443	873	17,743	462	1,523	15,758	63.9	55.0
IV	15,580	1,523	706	17,810	500	1,289	16,020	64.8	56.5
Year	60,784	1,224	3,594	65,601	1,728	1,289	62,584	254.0	219.6
1989									
I	14,778	1,289	833	16,900	479	1,328	15,093	60.9	52.9
II	15,497	1,328	796	17,621	563	1,442	15,616	62.8	54.6
III	15,645	1,442	737	17,823	553	1,416	15,854	63.6	55.4
IV	15,962	1,416	768	18,147	615	1,095	16,436	65.9	57.7
Year	61,882	1,289	3,134	66,305	2,210	1,095	62,999	253.2	220.5
1990									
I	15,318	1,095	820	17,233	599	1,323	15,312	61.2	53.4
II	15,584	1,323	792	17,699	617	1,438	15,644	62.4	54.3
Year 2/	62,753	1,095	3,118	66,966	2,542	1,182	63,242	252.0	220.3
1991									
Year 2/	64,728	1,182	3,230	69,140	2,603	1,161	65,376	258.4	226.5

1/ May not add due to rounding. 2/ Forecast.

Table 50--Egg supply and utilization (population includes military) 1/

Year	Pro- duction	Beginning stocks	Breaking egg us	Imports 2/	Total supply	Exports	Hatching egg use 3/	Ending stocks	Consumption	
									Total	Per capita
-----Million dozen-----										
Total eggs										
1987										
I	1,458.3	10.4	---	2.6	1,471.3	23.6	147.6	11.9	1,288.2	63.6
II	1,456.2	11.9	---	1.2	1,469.4	23.7	154.9	13.8	1,277.0	62.9
III	1,456.7	13.8	---	1.0	1,471.5	21.5	149.2	13.5	1,287.3	63.2
IV	1,497.1	13.5	---	0.8	1,511.4	42.4	147.4	14.4	1,307.1	64.0
Year	5,868.2	10.4	---	5.6	5,884.2	111.2	599.1	14.4	5,159.5	253.8
1988										
I	1,480.3	14.4	---	0.9	1,495.6	33.7	150.2	11.7	1,300.0	63.5
II	1,431.8	11.7	---	0.7	1,444.2	34.1	153.8	20.1	1,236.1	60.3
III	1,424.3	20.1	---	2.1	1,446.6	33.4	151.2	17.6	1,244.4	60.5
IV	1,447.2	17.6	---	1.6	1,466.4	40.6	150.6	15.2	1,260.0	61.1
Year	5,783.5	14.4	---	5.3	5,803.2	141.8	605.9	15.2	5,040.3	245.5
1989										
I	1,388.8	15.2	---	1.9	1,405.9	23.7	155.3	11.7	1,215.2	58.8
II	1,394.1	11.7	---	8.2	1,414.0	21.2	165.4	12.2	1,215.1	58.7
III	1,389.2	12.2	---	10.4	1,411.8	23.2	161.3	11.6	1,215.8	58.6
IV	1,414.7	11.6	---	4.6	1,430.9	23.5	160.5	10.7	1,236.3	59.5
Year	5,586.8	15.2	---	25.2	5,627.1	91.6	642.5	10.7	4,882.4	235.5
1990										
I	1,390.3	10.7	---	1.9	1,402.8	18.4	167.3	13.4	1,203.7	57.7
II 4/	1,413.3	13.4	---	3.0	1,429.7	21.0	173.1	14.3	1,221.3	58.5
Shell eggs										
1987										
I	1,458.3	0.7	225.3	1.9	1,235.5	7.1	147.6	1.0	1,080.0	53.3
II	1,456.2	1.0	237.0	0.1	1,220.3	8.9	154.9	1.0	1,055.5	52.0
III	1,456.7	1.0	242.8	0.1	1,214.9	8.3	149.2	1.0	1,056.5	51.9
IV	1,497.1	1.0	235.0	0.1	1,263.2	24.3	147.4	1.3	1,090.2	53.4
Year	5,868.2	0.7	940.1	2.3	4,931.1	48.6	599.1	1.3	4,282.1	210.6
1988										
I	1,480.3	1.3	231.8	0.1	1,249.9	16.0	150.2	1.0	1,082.6	52.9
II	1,431.8	1.0	260.2	0.1	1,172.7	12.0	153.8	0.9	1,005.9	49.1
III	1,424.2	0.9	249.6	1.1	1,176.6	15.7	151.2	0.7	1,009.0	49.1
IV	1,447.2	0.7	234.7	1.0	1,214.2	23.2	150.6	0.3	1,040.0	50.4
Year	5,783.5	1.3	976.4	2.3	4,810.7	67.0	605.9	0.3	4,137.6	201.6
1989										
I	1,388.8	0.3	219.6	1.4	1,170.8	9.1	155.3	0.5	1,006.0	48.7
II	1,394.1	0.5	257.3	7.6	1,144.8	9.7	165.4	0.8	968.9	46.8
III	1,389.2	0.8	245.1	9.9	1,154.8	16.2	161.3	0.7	976.7	47.1
IV	1,414.7	0.7	227.0	4.1	1,192.4	17.4	160.5	0.4	1,014.2	48.8
Year	5,586.8	0.3	949.0	22.9	4,662.9	52.4	642.5	0.4	3,967.7	190.8
1990										
I	1,390.3	0.4	240.6	1.4	1,151.4	12.1	167.3	0.7	971.3	46.7
II 4/	1,413.3	0.7	268.0	2.8	1,148.8	14.0	173.1	0.7	961.0	46.0

1/ Totals may not add due to rounding. 2/ Shell eggs and approximate shell-egg equivalent of egg products.
 3/ Hatching egg use for 1986-present calculated by a new method. 4/ Preliminary. ---Not applicable for total egg supply and utilization.

Table 51--Selected price statistics for meat animals and meat, 1989-1990

Item	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
- - - - - Dollars per cwt - - - - -												
Slaughter Steers:												
Omaha												
Choice, 1000-1100 lb	71.09	68.44	69.69	72.48	75.21	76.73	76.61	78.15	79.36	77.57	75.63	74.46
Select, 1000-1100 lb	69.06	66.94	67.23	69.63	71.99	74.02	73.92	75.46	77.00	75.91	73.88	72.65
California												
Choice, 1000-1100 lb	73.88	70.00	72.88	74.88	76.63	77.19	78.67	78.38	78.13	75.90	74.34	74.75
Colorado												
Choice, 1100-1300 lb	73.17	69.25	72.24	75.21	77.43	78.45	78.30	79.30	79.78	78.13	76.61	75.35
Texas												
Choice, 1000-1100 lb	73.88	69.75	72.09	75.47	77.97	79.02	78.62	79.31	80.00	78.14	76.73	75.07
Slaughter heifers:												
Omaha												
Choice, 1000-1200 lb	71.32	68.29	70.08	73.30	75.71	77.69	77.48	78.42	79.51	77.82	76.08	74.77
Select, 900-1000 lb	68.50	65.50	66.56	69.38	71.58	73.32	73.15	74.19	75.63	74.56	72.41	71.04
Cows:												
Omaha												
Commercial	49.63	51.86	48.71	45.67	49.00	49.38	52.13	54.04	53.77	54.96	55.63	54.27
Breaking Utility	50.39	52.42	49.42	46.60	49.38	49.78	52.79	54.67	54.48	55.41	56.04	54.56
Boning Utility	51.35	52.67	51.54	48.70	50.72	51.22	54.86	55.96	55.84	56.37	58.42	56.88
Canner	45.00	46.31	44.08	42.57	42.48	43.27	46.83	49.25	49.21	50.12	52.00	50.58
Cutter	49.12	51.19	49.21	45.67	48.29	48.40	51.59	54.92	54.67	55.38	56.31	54.77
Vealers: 1/												
Choice, New York	93.20	94.00	94.75	94.50	97.88	99.35	104.38	101.50	102.88	102.00	99.88	96.00
Feeder steers: 2/												
Kansas City												
Medium No. 1,												
400-500 lb	101.00	ng	ng	96.63	95.13	97.40	101.00	102.88	104.88	105.30	108.50	107.50
600-700 lb	88.40	88.63	88.25	87.38	86.25	85.70	84.88	87.50	90.81	91.90	94.13	93.50
All weights and grades	84.54	83.56	81.24	82.65	82.30	82.47	82.86	83.15	85.42	85.14	87.77	86.82
Okla. City												
Medium No. 1												
400-500 lb	103.82	100.42	100.71	102.03	99.77	101.23	105.13	105.89	111.35	109.74	106.14	106.03
600-700 lb	88.48	87.01	85.62	86.34	88.67	87.34	85.35	87.85	91.13	93.71	94.74	93.35
700-800 lb	85.34	83.88	83.32	85.15	87.11	84.86	82.14	82.18	84.49	86.80	90.39	90.02
Amarillo												
Medium No. 1,												
600-700 lb	85.30	82.00	83.88	82.80	85.17	85.45	84.13	86.13	85.88	87.30	87.63	89.44
Georgia Auctions												
Medium No. 1,												
600-700 lb	82.40	79.50	79.25	79.00	79.33	80.40	82.00	83.75	86.75	86.80	87.13	86.67
Medium No. 2,												
400-500 lb	87.10	84.13	83.13	81.00	80.33	83.20	89.25	92.13	93.13	90.90	89.88	88.17
Feeder heifers:												
Medium No. 1,												
Kansas City												
400-500 lb	89.75	ng	ng	86.50	84.38	85.60	89.50	92.13	92.88	95.20	94.38	91.50
600-700 lb	83.30	83.00	82.88	81.88	80.88	80.80	80.75	80.38	84.69	85.50	84.75	84.75
Okla. City												
400-500 lb	89.84	87.53	87.64	86.59	83.01	87.64	90.39	92.14	95.47	96.03	94.30	91.53
600-700 lb	83.06	80.88	80.05	80.64	82.91	81.83	79.81	80.83	83.10	85.50	87.14	87.61
Slaughter hogs:												
Barrows and gilts												
Omaha No. 1 & 2,												
230-240 lb	48.17	44.87	48.23	47.15	51.03	49.33	50.33	53.03	54.80	63.54	61.71	63.18
All weights	46.53	44.83	46.81	45.92	49.68	48.52	47.22	51.76	54.32	62.21	60.71	62.31
Sioux City	47.04	44.58	47.49	46.39	49.65	48.41	49.48	52.56	54.63	62.80	61.34	62.54
7 markets 3/	46.84	44.32	47.15	45.77	49.33	47.94	48.51	51.91	54.11	62.18	60.75	61.87
Sows:												
7 markets 3/	36.52	38.33	41.46	38.53	41.73	43.88	43.91	47.61	51.49	54.27	52.45	49.20
Feeder pigs:												
No. 1 & 2, So. Mo.,												
40-50 lb (per hd.)	30.00	30.72	37.25	38.33	36.21	44.58	54.41	63.19	64.97	56.80	47.32	46.38
Slaughter lambs:												
Choice, San Angelo	67.28	63.81	59.63	56.06	61.00	54.80	60.38	63.69	63.13	62.25	53.56	53.25
Choice, So. St. Paul	63.76	60.40	58.90	54.60	57.69	55.88	61.68	63.43	57.43	61.70	53.70	51.71
Ewes, Good,												
San Angelo	30.65	30.31	28.00	35.25	39.42	38.30	38.47	38.81	36.50	33.25	32.38	34.83
So. St. Paul	15.06	14.05	14.98	16.70	23.52	23.30	22.00	22.65	17.85	13.88	13.93	15.47
Feeder lambs:												
Choice, San Angelo	75.50	76.06	74.88	74.88	76.00	72.10	74.88	75.63	71.31	64.30	56.50	53.75
Choice, So. St. Paul	69.04	69.74	70.68	68.08	70.65	65.96	68.65	70.00	62.38	64.88	56.45	51.71
Farm prices:												
Beef cattle	69.70	68.20	68.70	69.80	71.00	73.70	74.60	74.20	74.60	74.40	74.40	72.40
Calves	94.20	91.10	88.10	86.70	89.10	91.00	96.00	99.10	100.40	101.00	98.10	97.00
Hogs	45.60	43.40	46.60	45.00	48.20	47.30	48.20	51.30	53.80	61.20	60.10	60.10
Sheep	23.40	23.10	22.70	29.50	31.10	32.20	30.90	30.00	23.50	19.70	19.60	21.70
Lambs	66.60	65.90	62.00	58.70	59.00	56.40	59.80	66.00	62.90	59.80	55.40	55.10

Table 51--Selected price statistics for meat animals and meat, 1989-1990--Continued

Item	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
- - - - - Dollars per cwt - - - - -												
Meat prices:												
Wholesale												
Central U.S. markets												
Steer beef, Choice												
600-700 lb	104.31	102.08	103.13	107.05	111.41	113.30	112.80	113.65	114.70	114.34	112.13	Disc.
Heifer beef, Choice												
550-700 lb	104.23	102.04	103.13	107.05	111.38	113.30	112.78	113.65	114.70	114.32	112.13	Disc.
Cow beef, Canner												
and Cutter	95.33	99.14	96.14	92.92	100.73	99.89	100.95	102.04	100.61	101.29	101.51	101.62
Boxed beef												
cut-out value 4/	112.83	110.08	110.04	115.06	119.52	121.74	120.97	122.10	123.62	124.56	121.53	118.54
Pork loins												
14-18 lb 5/	110.03	105.25	111.78	91.75	107.28	101.36	107.75	117.26	120.68	136.06	125.62	144.14
Pork bellies												
12-14 lb	28.82	34.23	36.88	49.96	42.23	48.65	42.53	42.60	52.60	61.48	65.15	53.18
Hams, skinned												
14-17 lb	68.00	69.13	80.56	87.00	78.89	68.44	76.50	79.00	77.33	81.60	ng	91.00
Pork cut-out												
value 6/	64.38	61.84	65.53	64.78	67.26	63.49	65.30	69.54	72.14	81.49	80.61	82.31
East Coast												
Lamb, Choice and Prime												
35-45 lb	127.45	125.44	123.50	124.60	136.22	127.05	142.81	145.25	135.56	128.75	119.94	124.75
55-65 lb	130.75	121.44	117.69	109.65	122.72	112.25	127.81	135.25	123.38	125.25	120.25	123.00
West Coast												
Steer beef, Choice												
700-800 lb	109.90	107.38	108.63	112.45	115.97	118.65	118.25	119.50	119.66	119.70	117.97	Disc.
- - - - - Cents per lb - - - - -												
Retail												
Beef												
Choice	268.2	266.2	265.0	266.4	269.4	274.4	271.0	272.5	277.9	283.6	282.1	279.9
All fresh	240.1	241.0	241.2	243.7	245.4	247.8	249.1	249.1	252.9	251.5	254.0	255.8
Pork	184.6	184.4	185.8	189.6	191.2	195.1	196.5	197.0	200.9	206.2	218.1	222.2
- - - - - Indexes - - - - -												
Price indexes: (BLS)												
Retail meats	117.5	117.7	118.1	119.3	120.0	122.3	123.5	124.0	125.2	126.6	129.6	130.3
Beef and veal	119.7	120.0	120.0	121.3	122.1	124.5	126.2	126.6	128.0	128.5	129.0	129.2
Pork	114.8	114.3	114.9	116.8	117.2	119.7	119.7	121.0	121.6	125.5	132.9	134.8
Other meats	116.6	117.6	118.8	119.0	119.5	121.6	122.9	122.7	124.4	124.2	127.4	127.9
Poultry	136.2	134.0	131.2	126.8	127.8	128.6	130.5	134.8	132.1	132.3	134.0	135.3
Livestock-feed ratios												
Omaha: 7/												
Steer-corn	32.0	30.8	31.1	32.2	32.8	34.2	34.0	32.6	31.1	29.3	27.9	28.5
Hog-corn	20.9	19.8	20.8	20.1	21.7	21.6	22.0	21.9	21.2	23.6	22.4	23.9

1/ Beginning Jan. 1989 New York auctions (150-250 lb). 2/ Reflects new feeder cattle grades. 3/ St. Louis N.S.Y., Kansas City, Omaha, Sioux City, So. St. Joseph, So. St. Paul, and Indianapolis. 4/ Beef, Choice 2-3 550-700 lb. 5/ Prior to 1984, 8-14 lb; 1984 and 1985, 14-17 lb; 1986, 14-18 lb. 6/ U.S. #2, 175 lb carcass. 7/ 1982-84=100. 8/ Bushels of No. 2 yellow corn equivalent in value to 100 pounds live weight.

Table 52--Selected marketings, slaughter, stocks, and trade for meat animals and meat, 1989-1990

Item	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
1,000 head													
Federally inspected:													
Slaughter													
Cattle	2,951	2,730	2,975	2,706	2,876	2,693	2,600	2,775	2,437	2,696	2,552	2,920	2,873
Steers	1,469	1,353	1,456	1,320	1,332	1,257	1,245	1,324	1,208	1,363	1,314	1,511	1,486
Heifers	929	882	949	853	904	789	766	807	749	814	751	874	894
Cows	496	442	507	477	578	591	542	590	434	469	437	478	439
Bulls and stags	57	53	62	56	62	58	47	54	46	50	49	57	54
Calves	161	169	189	173	191	175	167	175	145	165	128	137	132
Sheep and lambs	423	399	476	441	468	467	457	479	431	481	466	465	426
Hogs	6,881	6,131	7,392	7,493	7,823	7,815	7,012	7,407	6,643	7,279	6,959	6,976	6,322
Percentage sows	5.5	5.9	5.7	4.9	4.6	4.5	4.7	4.5	3.7	3.9	4.0	4.6	5.3
Pounds													
Average live wt per head													
Cattle	1,118	1,126	1,144	1,154	1,156	1,159	1,156	1,150	1,150	1,136	1,117	1,113	1,120
Calves	278	253	247	255	259	250	237	246	261	264	270	285	285
Sheep and lambs	120	120	119	120	124	127	129	129	131	130	126	128	126
Hogs	251	247	247	246	248	251	250	249	248	249	250	251	252
Average dressed wt													
Beef	673	681	692	696	696	692	688	684	687	682	672	676	678
Veal	172	156	149	155	157	152	144	149	158	162	168	181	185
Lamb and mutton	61	61	61	60	63	65	66	67	67	66	65	65	64
Pork	180	177	177	176	178	181	179	180	179	179	180	181	182
Million pounds													
Production													
Beef	1,979	1,852	2,050	1,874	1,992	1,855	1,783	1,889	1,668	1,831	1,709	1,967	1,943
Veal	27	26	28	26	30	26	24	26	23	26	21	24	24
Lamb and mutton	25	24	28	27	29	30	30	31	28	32	30	30	27
Pork	1,235	1,081	1,302	1,318	1,387	1,410	1,252	1,327	1,186	1,300	1,219	1,228	1,116
Commercial: 1/													
1,000 head													
Slaughter													
Cattle 1/	3,024	2,793	3,047	2,774	2,964	2,785	2,680	2,851	2,502	2,764	2,618	2,989	2,934
Steers	1,506	1,384	1,492	1,353	1,372	1,299	1,284	1,360	1,241	1,398	1,348	1,547	1,518
Heifers	952	903	972	875	932	815	789	829	769	834	771	894	913
Cows	508	452	519	489	596	611	559	606	446	481	448	490	448
Bulls and Stags	58	54	64	57	64	60	48	56	46	51	51	58	55
Calves	167	174	195	179	198	182	172	181	150	171	132	142	137
Sheep and Lambs	437	415	494	456	484	481	469	489	441	493	487	478	440
Hogs	7,081	6,301	7,588	7,678	8,032	8,039	7,233	7,605	6,820	7,454	6,959	6,976	6,322
Million pounds													
Production													
Beef	2,022	1,888	2,092	1,913	2,041	1,906	1,827	1,932	1,705	1,870	1,747	2,007	1,979
Veal	29	27	29	28	31	28	25	27	24	28	23	26	25
Lamb and mutton	26	25	29	27	29	30	30	32	29	32	31	31	28
Pork	1,266	1,108	1,333	1,349	1,421	1,446	1,288	1,359	1,215	1,328	1,247	1,256	1,142
Cold storage stocks: 2/													
Beef	242	249	242	232	224	237	246	261	269	308	296	272	258
Veal	6	6	6	5	4	4	4	4	4	4	5	5	5
Lamb and mutton	8	8	8	7	8	8	8	8	8	8	8	8	10
Pork	383	345	281	280	275	281	257	272	308	297	319	323	294
Total meat	686	654	579	559	541	555	529	565	610	638	651	633	594
Trade:													
Imports (carcass wt)													
Beef and veal 3/	179.1	193.3	186.3	144.3	177.1	180.0	194.5	201.6	189.1	205.5	173.6	188.7	
Lamb, mutton, and goat	5.6	5.6	5.6	4.1	5.7	4.5	6.7	4.5	3.9	4.5	3.9	4.1	
Pork	81.6	63.2	73.4	67.5	65.9	66.8	66.8	64.0	69.2	82.8	76.3	70.9	
Exports (carcass wt)													
Beef and veal 3/	97.3	101.8	99.8	82.8	115.2	93.5	86.0	72.9	73.3	86.2	70.4	85.0	
Lamb and mutton	0.2	0.2	0.3	0.2	0.1	0.2	0.1	0.2	0.2	0.2	0.4	0.2	
Pork	22.6	21.3	22.4	22.5	29.4	26.1	24.7	25.2	21.3	22.9	23.0	20.1	

1/ Federally inspected and other commercial. Classes estimated. 2/ End of month. Beginning January 1977, excludes beef and pork stocks in cooler. 3/ Beginning January 1989, veal trade is no longer reported separately.

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